

BANK AL-MAGHRIB

ANNUAL REPORT PRESENTED TO HIS MAJESTY THE KING

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June 2003

R E P O R T

On the financial year 2002 presented to

HIS MAJESTY THE KING

by Mr. Abdellatif JOUAHRI

Governor of the Bank Al-Maghrib

Your Majesty,

In application of article 64 of the dahir of 23 Hija 1378 (30 June 1959), I have the honour to present to Your Majesty the report of the year 2002, the forty-fourth financial year of the Central Bank.

Your Majesty,

The year 2002 was characterised by an unfavourable international environment marked by strong geopolitical tensions and unstable capital and foreign exchange markets. Global economic growth and the development of trade were therefore moderate, especially in the euro area, Morocco's main economic partner.

In this context, and despite moderate growth, the national economy achieved satisfactory results, particularly in terms of safeguarding the internal and external equilibria. In fact, while GDP growth at constant prices was no more than 3.2% after having reached 6.3% a year earlier, the employment situation improved, inflation, although accelerating, remained moderate and the current account of the balance of payments again produced a surplus. Furthermore, despite the non-realisation of planned privatisations operations, the budget deficit was reduced but remained above the target of 3% of GDP; also, it was financed chiefly by non-monetary resources. Under these circumstances, the increase in the monetary aggregates was on the whole in line with the forecasts, thus assisting the pursuit of the policy of reducing interest rates. Moreover, the foreign exchange reserves reached a record level, representing over nine months' imports of goods and services, while at the same time the process of active foreign debt management was continued.

With regard to the development of the public finances, the budget deficit, although exceeding the limit of 3% of GDP fixed initially, was kept down to 4.3%, a level considerably below that reached, excluding privatisations, at the end of the previous year. This result was achieved thanks to the growth in tax revenue, lower than expected operating expenditure and the reduction of the subsidisation and interest burdens. Account being taken of the settlements in respect of the foreign debt, the early repayment of expensive loans and the conversion of debts into investments, the Treasury's financing requirement reached a high level. It was easily covered by recourse to the tender market, in a context characterised by abundant liquidity and declining interest rates.

At the level of external transactions, exports grew at a rate of 6.2%, appreciably faster than the rise in imports. Consequently, the trade deficit, which is still high, decreased slightly and the rate of coverage of imports by exports reached 66.5%. Account being taken of the maintaining of tourist earnings and transfers made by Moroccans living abroad on a high level, the current account of the balance of payments again produced a surplus, representing 4.1% of GDP, and the surplus of the overall balance came to 7 billion dirhams.

Under these circumstances, and owing to the persistence of the liquidity surpluses, the Bank Al-Maghrib regulated the money market throughout the year chiefly by liquidity-withdrawal operations. In order to freeze such surpluses lastingly, the central bank decided, in December 2002, to raise the monetary reserve ratio from 10% to 14%. However, in order to give a clear signal regarding the monetary authorities' determination to make the conditions of financing the economy more flexible still, it coupled this measure with a further lowering of the key rates, made after that in March 2002. Consequently, the interbank market rate declined on average during the year by 145 basis points, this drop having been accompanied by falls which could have been more significant for debtor conditions.

With regard to the development of the money supply, aggregate M1 showed a rise of 9%, higher than the target range of 6.5% to 7.5% set at the beginning of the year 2002. This overstepping was attributable to the arbitrages carried out between the various financial assets rather than to the development of the sources of creation of money. In fact, the growth in aggregate M3, which represents the money supply in the broad sense, amounted to 6.4%, against 14.1% in 2001.

The rate of inflation remained moderate, at 2.8%. The rise in the prices of non-food products and services, which are in fact less sensitive to cyclical fluctuations, actually slowed down, to 1.6% in 2002.

The economic and financial results achieved in the year under review indicate that our country has consolidated its achievements with regard to macroeconomic stabilisation, an essential condition for the attainment of its aims of growth and employment. Nevertheless, the national economy is still faced with weaknesses connected mainly with the dependence of the public finances on non-recurrent receipts and the weight of current expenditure, especially personnel and debt expenses, with the financial difficulties experienced by certain components of the financial sector, with the weak growth in long-term saving and with the slowness both of the process of making the financing conditions of small and medium-sized enterprises more flexible and of the upgrading of the productive fabric.

The effectiveness of budgetary policy is conditional on the achievement of a better match between public revenue and expenditure. To this end, it is important to strengthen the State's resources by all the appropriate means at its disposal, especially by broadening the tax base and the gradual and equitable contribution of all sectors of activity. Against this, current expenditure, which represents 22.7% of GDP, ought to be kept in check, with the aim of raising the level of public saving and quickly bringing the budget deficit down to a sustainable level, without recourse to exceptional means of financing. Fulfilment of these conditions would enable the State's investment effort and the strategy of reducing foreign indebtedness to be pursued without entailing an increase in the domestic debt, which would inevitably affect the downward trend of interest rates. The state of the public finances deserves all the more to be closely monitored because of a number of uncertainties concerning the future development of the financial situation of certain public institutions, especially the pension and provident bodies.

Furthermore, effective solutions ought to be found to deal with the difficulties experienced by certain components of the financial sector, owing to their failure to adapt to the liberalisation of their activities. At the level of the banking system, the problems of some institutions have been resolved within the framework of merger/takeover operations, while others are being tackled by the implementation of medium-term rehabilitation plans. Similarly, the situation of the insurance sector, which has also experienced merger/takeover activity, can be expected to strengthen further as a result of the promulgation of the insurance

code in November 2002. In particular, this code regulated the activity of bancassurance, set a minimum capital and introduced prudential rules. Parallel with the remedying of the situation of institutions in difficulty, greater concentration within the insurance sector would enable it to improve its competitiveness. With regard to the pension and provident institutions, the transfer to the Collective Pension Allocation Scheme of certain autonomous funds experiencing difficulties is just the start of a solution, because the equilibrium of these bodies would be jeopardised if the necessary measures were not implemented soon enough. These measures should be aimed at ensuring the permanence of these schemes and not only their medium-term viability. Their implementation would be facilitated all the more if it were accompanied by the rapid establishment of an observatory of pension schemes whose role would be to regulate and monitor the bodies operating in this sector.

The rehabilitation of the insurance companies and pension and provident institutions ought to be accompanied, moreover, by the improvement of the environment of stock market investment, thanks to incentives offered both to enterprises and to savers with a view to stimulating the activity of the capital markets and thus successfully transforming liquid resources into long-term savings so as to bring about a more suitable financing of investment.

Furthermore, the factors impeding the improvement of the conditions of financing the economy must be removed. In addition to keeping the budget deficit under control, the lowering of debtor interest rates continues to be conditional on the consolidation of the credit institutions' portfolio of pending claims and the freeing of the provisions formed to cover them, especially through speedier settling of lawsuits. In fact, the burden of pending claims and of the provisions in respect of these on the banks' operating conditions is prompting them to become more selective in the distribution of credit and to apply high-risk premiums in cases of insufficiency of guarantees or inadequate transparency. Against this background, the continuation of the downward trend of interest rates and its extension to all categories of borrowers, while certainly entailing greater competition between banks and also between bank credit and alternative forms of financing, also calls for a strengthening of the financial situation of enterprises.

The public authorities and enterprises should pay special attention to speeding up the upgrading process in order to improve the financial transparency and attractiveness of the mechanisms intended to accompany the programmes of modernisation of the productive fabric. Making up for lost time in the implementation of these lines of action should make it possible to limit start-up costs in an environment that has become increasingly competitive.

It is moreover important to continue the adaptation of the legislative and regulatory framework to the development of the national economy - indeed to that of the international context. With regard to the financial sphere, in particular, the planned reforms of the Statutes of the Bank Al-Maghrib and the Banking Act, now in their final stages, will make it possible to strengthen the role of the central bank by institutionalising its independence and entrusting it with the duty of designing and implementing monetary policy and the task of regulating and supervising the activity of credit institutions.

Lastly, price stability, which remains the primary aim of monetary policy, would undoubtedly contribute to the improvement of the economy's competitiveness and the achievement of the ultimate aim of growth and employment. Beyond keeping prices under control, the factor on which the policies pursued in the various fields must converge is the medium-term viability of the macroeconomic framework as a whole and the creation of an attractive context for both domestic and foreign investment.

These are all preconditions for enabling Morocco to meet the challenges of globalisation and to integrate itself smoothly in the world economy, a process which undoubtedly offers advantages but also involves costs. Adherence to these aims by all social partners is essential for the attainment of the twin aims of openness and modernisation.

Rabat, June 2003

Abdellatif JOUAHRI

Main indicators of the economy ⁽¹⁾

Amounts in billions of dirhams	2000	2001	2002	Percentage changes	
				$\frac{2001}{2000}$	$\frac{2002}{2001}$
National accounts					
- Gross domestic product at constant prices	134.9	143.4	148.0	6.3	3.2
. Agricultural GDP	15.4	19.6	20.7	27.6	5.6
. Non-agricultural GDP	119.5	123.8	127.3	3.6	2.8
- Gross domestic product at current prices	354.2	383.2	397.8	8.2	3.8
. Agricultural GDP	49.0	59.7	64.1	21.8	7.5
. Non-agricultural GDP	305.2	323.5	333.6	6.0	3.1
- Gross national disposable income	372.4	414.9	426.4	11.4	2.8
- National consumption	293.5	309.0	319.7	5.3	3.5
- Gross fixed capital formation	85.4	85.4	91.1	-0.1	6.8
- Gross national savings	78.9	105.9	106.8	34.3	0.8
Cost of living index (base 100 in 1989) ⁽²⁾ . .	157.3	158.3	162.7	0.6	2.8
- Foodstuffs.....	159.1	157.5	164.2	-1.0	4.3
- Non-alimentary products and services	155.6	158.7	161.2	2.0	1.6
External accounts					
- Total exports	78.8	80.7	86.6	2.3	7.4
- Total imports	122.5	124.7	130.4	1.8	4.5
- Balance of trade	- 43.7	-44.1	-43.8	0.8	-0.7
- Balance of "Travel"	17.1	24.8	24.3	45.4	-2.2
- Balance of current transfers	26.4	40.2	36.7	56.2	-8.7
- Current account balance	-5.0	18.2	16.4	-458.0	-9.7
- Current account balance as % of GDP	-1.4	+4.8	+4.1	-	-
- Total service of the foreign public debt	26.6	27.8	28.3	4.3	1.8
- Outstanding foreign public debt	171.0	163.1	142.0	- 4.6	-12.9
- Foreign public debt as % of GDP	48.3	42.6	35.7	-	-
Public finance					
- Ordinary balance	7.3	26.4	8.4	258.5	-68.2
- Investment expenditure	19.2	21.3	20.3	10.7	-4.7
- Budget balance	-20.8	-10.0	-17.1	-51.1	69.8
- Budget balance as % of GDP	-5.9	-2.6	-4.3	-	-
Money					
- Aggregate M1	181.3	210.1	229.0	15.9	9.0
- Money supply (M3)	292.8	334.0	355.4	14.1	6.4
- Net foreign assets	54.7	101.9	110.8	86.4	8.7
- Claims on Government	85.9	78.3	80.7	-8.8	3.0
- Claims on the private sector	208.0	217.0	227.0	4.3	4.6
(1) The changes and ratios were calculated on the basis of the amounts in millions of dirhams.					
(2) Annual average.					

INTERNATIONAL ENVIRONMENT

Global economic growth improved in 2002, increasing year-on-year from 2.3% to 3%, under the stimulus of the recovery in demand, which was attributable to the firmness of activity in the United States and the dynamism of the Asian economies. On the other hand, economic conditions hardly improved at all in Europe and Japan, where the rate of increase of GDP fell far short of its potential, while they worsened in Latin America, affected by a deep recession in Argentina. These significant disparities in the economic results confirm the weak resistance of some countries to the shocks produced by the fall in stock market prices, the persistence of the macroeconomic disequilibria and the wariness of investors in view of the dysfunction of the financial markets. The effect of these various unfavourable factors was amplified by the international geopolitical strains and the risks of contagion of the internal crises, which inevitably led to a fall in investment.

In the developed countries, economic growth, supported by accommodating macroeconomic policies, rose from 0.9% the previous year to 1.8%, a rate which was however still too low to reduce unemployment, which worsened from 5.9% of the labour force to 6.4%.

In the United States, economic growth speeded up from 0.3% the previous year to 2.4%, thanks to the increase in public expenditure, the tax cuts and the falls in interest rates. These various financial and fiscal incentives in fact stimulated consumption of durable goods and real estate transactions and enabled the stock-building cycle to be resumed. Nevertheless, they contributed greatly to a further accentuation of the imbalances of the budget and the current account of the balance of payments. Furthermore, the revival of activity was limited by the erosion of the stock market assets of households and the decline in fixed capital investment by enterprises, adversely affected by the volatility of the financial markets and the fall in profits. Under these circumstances, unemployment worsened markedly, from 4.8% to 5.8% of the labour force, its highest level since

1995. The Federal Reserve therefore again lowered its key rate, in November, from 1.75% to 1.25% in order to sustain demand, especially as the inflation rate slowed from 2.8% to 1.6%.

In the European Union, economic growth was no more than 1% compared to 1.6% in 2001. While the British economy proved to be more resilient, achieving growth of 1.6% thanks to buoyant public and consumer spending, the GDP of the countries of the euro area increased by only 0.8% in 2002 compared to 1.4% the previous year. This slowing is attributable to the decline in corporate investment and the weak growth in demand from households, whose purchasing power was eroded by the fall in stock market prices and the worsening of the labour market, the unemployment rate having risen from 8% to 8.3%. Furthermore, the increase in the budget deficits in France and Germany appreciably reduced their margins for manoeuvre regarding the public finances, especially in view of the 3% ceiling imposed by the Stability and Growth Pact. At the same time, the inflation rate slowed down from 2.6% the previous year to 2.3%, but remained above the tolerance threshold, set at 2%. That is why the European Central Bank refrained from relaxing monetary conditions before deciding, in December, to reduce its reference interest rate from 3.25% to 2.75% in order to counter the slackness of activity.

In Japan, GDP rose by just 0.3%, despite a pronounced rebound of exports and a strongly expansionary economic policy. This weak growth was in fact due to the deceleration of private consumption, the persistent problems of the banking sector and the fall in corporate investment. The lack of strength in economic activity and the continuation of the restructuring process therefore brought about a worsening of unemployment, the rate of which rose from 5% to 5.4%. Despite the increase in the burden of the budget deficit and the public debt, the Japanese Government, in order to remedy the deflationary situation, embarked upon a new economic stimulation plan, centred on stepping up expenditure on public works and granting aid to small and medium-sized enterprises. Similarly, the Bank of Japan continued to inject liquidity by granting advances to the banks, at a zero interest rate, and increasing its purchases of public bonds.

Benefiting from the Chinese economy's role as the driving force in the region, growth in the newly industrialised Asian countries speeded up considerably, from 0.8% to 4.6%, thanks to the marked strengthening of exports of information technology products and domestic demand. This was the case with South Korea, which recorded an increase of 6.1% in the year under review compared to 3% the previous year. The other countries in the group, for their part, started to grow again in 2002, at rates ranging from 2.2% to 3.5%.

The emerging Asian countries also expanded, by 6.5%, reflecting in particular the economic dynamism of China. That country again achieved a growth rate of 8%, owing to the strength of exports, the increase in public expenditure and the massive inflow of foreign direct investment, especially after it had joined the World Trade Organisation. For their part, India, Malaysia, the Philippines and Thailand recorded growth rates ranging from 4% to 5%, owing to the firmness of domestic demand and the expansion in intraregional trade.

Despite a climate of serious geopolitical risks creating market uncertainty, the countries of the Middle East, for their part, achieved an increase in growth from 1.4% the previous year to 4.5%. This improvement is attributable to the expansion in the oil revenues of the OPEC member countries and the pronounced recovery of activity in Turkey. After a decline of 7.5% in 2001, that country achieved a sharp rise of 6.7% in the year under review, thanks to the revival of domestic demand and the pursuit of the economic and financial rehabilitation programme, supported by massive contributions from the international institutions.

The African countries recorded a rate of increase in GDP of 3.4% in 2002 compared to 3.6% the previous year. Thus, in the Maghreb, activity slowed down in Morocco and above all in Tunisia, where it fell off from 5.2% to 1.9%, owing to a mediocre agricultural harvest and the fall in tourist earnings and investment. On the other hand, Algeria recorded a growth rate of 3.1% compared to 2.1%, thanks to the rise in the price of oil. In the Sub-Saharan region, the growth rate of the South African economy improved slightly, from 2.8% to 3%,

thanks to the effect of the depreciation of the rand on exports. On the other hand, the economic situation worsened in other countries of the area, owing to the effects of cyclical droughts and political instability.

The countries of Latin America were mainly affected by the serious deterioration in the situation of the Argentine economy, the Venezuelan political crisis and the financial difficulties of Brazil. For the fourth year running, Argentina suffered a serious recession, recording a decline of 11% in 2002, owing to the collapse of the foreign exchange system, the sluggishness of domestic demand, the flight of capital and the suspension of financial aid from the International Monetary Fund. Similarly, Venezuela recorded a 9% drop in GDP resulting from strikes in the oil sector, a development which brought about a contraction in output. Lastly, in Brazil and Mexico, growth amounted to only 1.5% and 1% respectively, because of the deterioration in external financing conditions and the contraction in expenditure on consumption and investment.

In the transition economies, overall growth slowed from 5.1% to 4.1%. The ten countries applying to join the European Union recorded GDP growth of 2.8% compared to 3% the previous year, owing to the weakness of demand from the euro area and the stringent economic policies applied in the process for joining that area. In the countries of the Commonwealth of Independent States, activity strengthened by 4.3% in Russia, thanks to strong consumption and the rise in oil prices, while the economies of the Ukraine and Kazakhstan expanded by 4.6% and 9.5% respectively, thanks to good agricultural harvests, the rise in foreign investment and exports.

Stimulated by an overall recovery in consumer demand, world trade in goods and services increased in volume by 2.9% in the year under review, after having remained unchanged in 2001. This rise reflects an increase in American imports, an expansion in Japanese exports and, above all, the commercial dynamism of the other Asian countries, especially China. The total value of trade rose by 4.4% to 7 838 billion dollars, account being taken particularly of a rise of 3.8% in the prices of basic products, of 3.1% in the prices of manufactured goods and of 2.8% in those of oil, which averaged 25 dollars per barrel.

The recovery in international trade was accompanied by a worsening of the trade imbalance of the United States and the strengthening of the surpluses of the euro area and Japan. Thus, the American balance of payments showed a current account deficit of 503 billion dollars or 4.8% of GDP, a worsening of 28%, while the Japanese current account surplus rose from 88 billion dollars to 113 billion. The euro area, for its part, saw a substantial increase in its current account surplus, from 19 billion dollars to 72 billion, especially owing to a reduction in imports. For their part, the developing countries recorded an overall surplus on current transactions of 55 billion, representing a rise of over three quarters, thanks to the increase in the positive balance of the Asian countries and the lightening of the deficit of the Latin American countries. Lastly, the transition countries recorded a current account surplus of 10 billion dollars, compared to 12 billion the previous year.

At the same time, flows of foreign direct investment, which amounted, worldwide, to 534 billion dollars, fell by 27% compared to 2001. This overall development is due to a fall of 31% in funds invested in the developed countries, which amounted to 349 billion dollars owing to the reduction in investment programmes and a contraction of 30% in merger/acquisition operations. For their part, flows to the developing countries showed a drop of 23%, to 158 billion dollars, mainly owing to investors' wariness regarding the South American countries. Lastly, the countries of Central and Eastern Europe received a total of 27 billion dollars, the same amount as in the previous year.

In this context, the main capital markets were marked, in 2002, by the drop in the private sector's shares and bonds, owing to fears concerning the growth prospects of the global economy, a succession of financial scandals and international geopolitical strains. These various factors were reflected in the fall in the prices of company shares to the benefit of the government loans of the developing countries. In the context of this "flight to quality", which produced an exceptionally large movement in the year under review, portfolio investments were furthermore favoured by substantial budgetary financing requirements.

Parallel with this, stock markets continued their downward trend for the third year in succession, during which the stocks of many enterprises were delisted and other companies had difficulty in increasing their capital and reserves, while at the same time there was a decline in new listings. Altogether, the New York financial centre experienced a drop of 16.8% in the Dow Jones index and of 31.5% in the Nasdaq, after falls of 7% and 21% respectively in 2001. For their part, the indices of the European stock exchanges recorded falls of 24.5% for the British FTSE 100, 34% for the French CAC40 and 44% for the German DAX, while the Japanese Nikkei declined by 18.6%. Lastly, the financial centres of the emerging countries showed, overall, a decline of about 6% in 2002, largely reflecting the loss of interest in the South American market.

Altogether, bond issues on the international market fell by 12.5%, to 1 181 billion dollars, about 45% being made in the dollar compartment and 42% in that of the euro. This fall took place in private loans and in sovereign bonds issued by the emerging-market countries. This segment in fact fell by nearly 42%, to 52 billion dollars, chiefly owing to the difficulties of the Latin American countries in gaining access to the sources of external financing.

Under these circumstances, a number of countries continued to seek assistance from the International Monetary Fund, which opened credit lines amounting to SDR 52 billion, including 10 billion in respect of the supplementary reserve facility. It paid out SDR 26.6 billion, representing an increase of SDR 2 billion. Thus, the funds granted under the stand-by arrangements rose from SDR 23 billion to 24 billion, a large proportion of which was allocated to Brazil and Turkey. Furthermore, drawings under the extended arrangements reached SDR 1.3 billion, compared to 742 million in 2001, and went mainly to Indonesia.

Within the World Bank group, the amount of loans granted by the International Bank for Reconstruction and Development, during the fiscal year ended June 2002, was 11.5 billion dollars, including 4.9 billion allocated to Eastern Europe and Central Asia and 4.2 billion to Latin America and the Caribbean.

Disbursements by the International Development Association were increased from 5.5 billion dollars to 6.6 billion, of which 2.6 billion benefited Africa and 2.5 billion Southern Asia, especially India. On the other hand, the International Finance Corporation reduced its commitments in the form of loans and participations from 3.9 billion dollars to 3.6 billion.

The international foreign exchange market was marked, in 2002, by an appreciation of the euro, which returned to parity with the US dollar for the first time since its launch in January 1999. The single currency also strengthened against the Japanese yen and the pound sterling, both of which fluctuated divergently against the dollar.

Despite a marked growth differential favouring the United States, the euro showed, in the year under review, an average rise of 5.4% against the dollar, after a fall of 16% in three years. The European currency, underpinned by its new status of fiduciary currency since January 2002, seems to have benefited from the uncertainties created by the increase in the internal and external deficits of the United States and from the growth in the interest-rate differential in favour of the euro area. The dollar has furthermore been affected by the financial scandals involving American corporations and by the threat of war against Iraq, which tended to confer on the euro a new status as a safe haven.

The average rate of the Japanese yen, for its part, fell by 8.8% against the euro and 3.2% against the dollar, as a result of repeated interventions by the Bank of Japan on foreign exchange markets. Lastly, the pound sterling fluctuated appreciably during the year 2002, at the end of which it was down by 8.6% against the euro. On the other hand, it rose by 4.2% against the dollar, owing to the interest-rate differential in favour of sterling.

NATIONAL OUTPUT

After having risen by 6.3% in 2001, gross domestic product, estimated at constant prices on the basis of provisional data ⁽¹⁾, recorded a growth of 3.2% in 2002. This movement, nearly a quarter of which was accounted for by the primary sector, also reflects a slowing of nearly all non-agricultural activities, which grew, overall, by 2.8% compared to 3.6% in 2001.

Benefiting from a further improvement in weather conditions, the value added of the primary sector showed an increase of 5.6% following that of 27.6% observed in 2001. Vegetable output, which constituted around 60% of the output of the sector, increased by nearly 12% owing to the increase in the yields of most crops, except for sugar and oil plants. In fact, despite a decrease in the areas sown, the harvest of the four main cereals, estimated at 52.2 million quintals, rose by 15.4%. An increase of the same order was recorded by market garden crops, while output of fruit growing went up by 12%, thanks to a considerable rise in that of citrus fruits, to 1.1 million tonnes. Parallel with this, fodder crops again showed a marked expansion. Stock farming, which also benefited from the improvement in the state of the common grazing land and above all from the cattle safeguarding programme, rose by 3.4% after having declined by 1.4% the previous year. Conversely, the output of fisheries, whose share in the primary sector's output was around 5%, showed a substantial drop, due to one of more than half of catches in deep-sea fishing.

The growth rate of the secondary sector was no more than 2.7% owing to the slowing of activity in nearly all branches, and especially the contraction in that of public works. The largest increase was recorded by manufacturing

(1) See Statistical Appendices I-1 to I-4

industry, with an overall rise of 3.3% compared to 4.2% in 2001. Marked progress was made in the branch of phosphates processing, and also in the electric wire and cable group and that of electronic components, which were supported by a good export performance. On the other hand, the textile industries, faced with difficult economic conditions, especially on export markets, experienced virtual stagnation. Similarly, the food industries made relatively little progress, owing to the decrease in raw material supplies. Mineral extraction, for its part, showed a growth of 3.2% due to a rise of 4.8% in output of phosphates, while output of other ores showed a decline due to the unfavourable trend of exports. A rate of increase of 3% was achieved in the energy industry, the rise in output of electricity having been greater than the decrease in refining activity.

The building and public works branch, whose knock-on effects had previously helped to boost activity in the other branches, saw its value added decline by 0.3% in 2002. This slight decrease, occurring after the expansion which had been observed for several years, was attributable to the fall in the construction of administrative buildings and in public works activity.

The tertiary sector, including the services provided by general government, achieved a growth rate of 2.9%. The greatest increases were observed in trade and in transport and communications, with rises of 4.4% and 4.6% respectively, while a fall of 7.5% was recorded in the accommodation and catering category, owing to the adverse development of tourist activity.

AGRICULTURE, STOCK FARMING AND FISHERIES

The 2001-2002 farming season benefited from relatively favourable weather conditions, characterised particularly by sufficient rainfall, although badly distributed over time. Thus, the heavy rainfall enjoyed at the end of 2001 made it possible to make up for the delay in autumn sowings at the beginning of the season. After that, the abundant rainfall in March and April 2002, the crucial period for plant growth, assisted the development both of fruit growing and of autumn crops and enabled the spring crops to be planted. Under these conditions, agricultural output showed an overall increase compared to the previous season, although remaining close to average. Despite the decline in fisheries activity, the value added of the primary sector, calculated at constant prices, increased overall by 5.6% compared to the previous year and its share in GDP rose from 13.7% to 14% ⁽¹⁾.

AGRICULTURE

In order to facilitate the launch and favourable progress of the farming season, the public authorities continued a number of measures for supporting farmers. They thus decided to maintain the prices of phosphated fertilisers, which had been revised downward the previous year, in order to reduce production costs and improve yields. Parallel with this, the investment premium for the acquisition of tractors and the subsidy for the purchase of sowing and plant-health-processing equipment were extended to small and medium-sized farms. Public authority measures also included an increase in aid with regard to irrigation equipment, mainly for localised irrigation. For its part, the system of insurance of cereals output against drought, the ceiling of which had been

(1) See Statistical Appendices II-1 to II-15

raised to 300 000 hectares from the 1999-2000 season onwards, was extended. Furthermore, farmers' debts to the National Agricultural Credit Fund were reduced or rescheduled on the terms provided for by the agreement signed in June 2001 between the State and that body.

The spring rain favoured the development of cereals, leading to an improvement in yields, chiefly of barley and maize, which counterbalanced the decrease in areas brought about by the shortage of rainfall at the beginning of the season. The output of the four main cereals thus amounted to 52.2 million quintals, showing a rise of 15.4% over the previous season and of 9.9% compared to the average for the last ten years. This development is mainly attributable to the expansion of 44.5% in the harvest of barley, to 16.7 million quintals, and to that of maize, which virtually quadrupled compared to the previous season, reaching 2 million quintals. It is also due, but to a lesser extent, to the output of soft wheat, which rose by 2.1% to 23.2 million quintals, thus representing over 44% of the total harvest. On the other hand, output of durum wheat declined slightly, to 10.3 million quintals, owing to a contraction of 9.7% in areas.

Cereals and
pulse crops

The harvest of the secondary cereals decreased from 678 000 to 513 000 quintals, including over 265 000 quintals of rice, a volume down by nearly a third compared to the previous season, owing to the combined effect of a decrease in areas and in yields.

The total cereal harvest made it possible, overall, to meet 62% of consumption requirements, the remainder having been covered by imports, which reached, between June and December 2002, nearly 27 million quintals, representing a rise of 6.8% compared to the figure reached in the same period of the previous year.

Lastly, output of pulse crops increased appreciably compared to the previous season, from 1.6 million to 2.4 million quintals, owing both to the improvement in yields and to the extension of areas. This development was contributed to by all varieties, especially lentils, the harvest of which more than tripled.

Market garden crops

Output of early fruit and vegetables, recorded at 1.1 million tonnes, increased by 14.9% compared to the previous season. This rise is mainly due to the tomato harvest, which reached 565 000 tonnes, an increase of 26.7%, thanks to an expansion of a quarter in areas. The harvest of miscellaneous fruit and vegetables also rose, from 376 000 to 410 000 tonnes. On the other hand, owing to a reduction of 26% in areas, due to the poor trading results achieved in 2000-2001, output of potatoes was no more than 130 000 tonnes, a fall of 7%.

Exports of early fruit and vegetables totalled 376 600 tonnes, representing an increase in volume of 9.6% due to the rise of nearly 10% in sales of tomatoes and of 21.2% in those of miscellaneous fruit and vegetables. The recovery in exports of tomatoes benefited from the contraction in Spanish output as well as from the diversification of sales abroad, especially to the countries of Eastern Europe, whose share amounted to over 11% in the year under review, whereas that of the European Union fell to just under 82% against 90% the previous year. However, sales of potatoes abroad, affected by the weakness of export prices, decreased by 18%.

Output of seasonal market garden crops reached 4.2 million tonnes and showed a rise of 13.3% compared to the previous season, thanks to the improvement in yields, especially of tomatoes, potatoes and onions.

Oleaginous crops

Olive picking, which began at the end of the year 2002, amounted to 500 000 tonnes, representing a fall of 16.7% compared to the previous season. Output of olive oil therefore fell from 60 000 to 45 000 tonnes.

Sunflower growing was affected by the shortage of rain in February and May 2002, periods corresponding respectively to the beginning and the end of the growing cycle of this crop. The harvested area therefore decreased by 25.5% and the yield by 18.2%, reducing output to 164 000 quintals compared to 270 000 quintals during the previous season.

Output of sugar beet amounted to just under 3 million tonnes, having fallen by nearly 4% compared to the previous season. This result is due to the decline in yields, especially in Doukkala, the main producing region, where the limited level of dam water reserves necessitated irrigation restrictions. At the same time, output of sugar cane amounted to 938 000 tonnes, showing a decrease of nearly 29%, due to a contraction in areas and in yields of 21.8% and 9.2% respectively.

Sugar crops

Overall, output of sugar totalled 467 000 tonnes, a decrease of 6.7% compared to the previous season. At this level it met 48% of consumption requirements, compared to 55% the previous year.

Output of citrus fruits reached 1 143 000 tonnes and rose by 16.8%, mainly owing to the rise in the harvest of clementines to 286 000 tonnes compared to 175 000 tonnes at the end of the previous season. Against this, sales of citrus fruits abroad, of around 430 000 tonnes, increased by 10.3% owing to the growth in exports of small fruit, especially clementines, which benefited from the reduction in supplies from Spain. Sales of late oranges, on the other hand, fell by nearly a fifth owing to the increase both in demand and in prices on the domestic market. Of exports of citrus fruits, 55% went to the European Union and nearly a third to the countries of Eastern Europe.

Fruit growing

The date harvest, at 33 200 tonnes, increased by nearly 2.5% compared to the previous season but remained nearly two thirds below the average for the last five years owing to the low rate of planting of new date palms to replace those severely affected by bayoud disease.

Vine-growing, for its part, showed a rise of 21% to 319 600 tonnes, including 240 600 tonnes of table grapes and 79 000 tonnes of wine grapes, up by 18.4% and 30% respectively. This development was due to the favourable weather conditions and the entry into production of young vines.

STOCK FARMING

Stock farming activity recorded higher overall results in 2002 than in the preceding year, thanks to the programme for safeguarding livestock and the improvement in the condition of the common grazing areas.

In fact, in order to ensure sufficient supplies of feedingstuffs and stabilise their prices, the public authorities suspended the levying of import duties and taxes on barley during the period from July 2001 to December 2002, while at the same time meeting the transport costs of this feedingstuff for the areas affected by the drought. This operation applied at first to certain provinces in the south and was subsequently extended to other regions in the east of the country and to the mountain areas. At the same time, an intensive health inspection and vaccination programme benefited 90% of the country's livestock.

According to the survey conducted in October and November 2002, the number of livestock was estimated at about 23 million head, a rise of nearly 2% compared to the same period of the previous season. This development was due to the increase in the number of goats and cattle of 5% and 2.8% respectively, while that of sheep remained virtually unchanged.

Output of red meat increased by 3% to 344 000 tonnes and that of white meat by 12.5% to 315 000 tonnes. Similarly, the number of eggs produced rose by 3% to 3.3 billion units. Milk output was up 9% to 1.2 billion litres, thus meeting 85% of consumption.

FISHERIES

Fishing output fell by 13.8% compared to the previous year, to just under 950 000 tonnes, to the value of 6 billion dirhams, a fall of 18.9%. This drop is mainly attributable to deep-sea fishing, whose catches decreased by over a half.

The catches of the coastal fishing fleet totalled just under 893 000 tonnes, representing a decline of 9%, but their value increased by 36% to 3.4 billion dirhams. The fall in tonnages was accounted for particularly by pelagic species, the main component of coastal fishing output, and especially sardines, the volume of which fell by 10% to 685 000 tonnes. Against this, the marked increase in the value of coastal fishing output is mainly attributable to cephalopods, very profitable varieties, catches of which increased by 16.6% to an amount of 1.3 billion dirhams, compared to 553 million the previous year.

The quantities of fresh fish supplied for consumption increased by 21% to a record level of 229 500 tonnes, or 25.7% of coastal fishing output. Parallel with this, the canning industry processed 230 000 tonnes of fish, an increase in volume of 10% compared to 2001. On the other hand, deliveries to the by-product processing units totalled 353 100 tonnes, a fall of 31%.

The contributions of deep-sea fishing fell by over a half, to 56 500 tonnes to the value of 2.2 billion dirhams compared to 3.9 billion in 2001. The sharp fall in quantities is due mainly to that in output of cephalopods, especially octopus, catches of this species having fallen by 60% to just over 18 900 tonnes, or only 42% of the quota authorised by the plan for controlling this type of fishing, adopted in May 2001 with the object of safeguarding fish resources. The extension of the biological dormancy period from four months to five and a half months in 2002 was not reflected in a reconstitution of octopus stocks.

Total exports of fish showed a decrease of 5.7% compared to the previous year to 281 000 tonnes, 45% of which consisted of crustaceans and molluscs. The corresponding earnings, on the other hand, increased by 8.9% thanks to a firming of prices, especially for cephalopods. Exports of by-products fell by 73% to 23 100 tonnes.

MINERALS AND ENERGY

MINERALS

The minerals sector suffered in 2002 from the persistence of a difficult international economic situation characterised by flagging demand and a decline in world prices for most ores. Nevertheless, thanks to the growth in the value enhancement of phosphates, especially under partnership arrangements with foreign enterprises, the Moroccan Phosphate Office (MPO) increased its exports. This led to an increase of 2.6% in mineral extraction, due to the rise in output of phosphates, that of the other ores having declined ⁽¹⁾.

Phosphates

The quantities of unprocessed ore extracted in 2002 increased by 4.8% to 23 million tonnes, thus confirming the recovery observed the previous year.

The activity of value enhancement of phosphates engaged in by the Safi and Jorf Lasfar chemical complexes produced 11.8 million tonnes, an increase of nearly 4% compared to the previous year. It made possible the production of 2.9 million tonnes of phosphoric acid, up by 3.6%, and of 2.6 million tonnes of solid fertilisers, down by 4.3%.

Exports of phosphate ore increased by 7.3% to 11.6 million tonnes, to the value of 4.7 billion dirhams, an increase of 11.2%. This development is attributable in particular to the expansion in deliveries to India, which were over 600 000 tonnes in the year under review, these exports being mainly intended

(1) See Statistical Appendices III-1 and III-2.

to supply the fertiliser production unit acquired by the MPO in a joint venture with an Indian partner. It is also attributable to the rise of 8% in purchases by the United States, which is still Morocco's main customer, with nearly 24% of the total exported. On the other hand, purchases by Spain and Mexico, which rank second and third among the recipients respectively, declined overall.

As far as derivatives are concerned, exports of phosphoric acid increased by 9.2% to 1.7 million tonnes, more than half of which was supplied to India. On the other hand, sales of fertiliser, amounting to 2.2 million tonnes, showed a decline of 10.5%, mainly owing to the high level of world stocks.

Overall, the MPO group was able to strengthen its position as the world's leading exporter of phosphates and derivatives, its market share having risen from 27.2% the previous year to 28%. As regards earnings, the group's total export turnover increased by over 6.9% to nearly 14.2 billion dirhams, 9.5 billion of which was accounted for by sales of derivatives.

Other ores

Extraction of ores other than phosphates continued to be affected by the weakness of world demand and the sharp fall in prices, especially those of zinc and lead. Total output of these ores in fact fell off by over 6%, owing to the decrease of nearly 10% in that of metal ores, especially lead and copper, the quantities of non-metallic ores extracted having increased slightly. Total export earnings, estimated at over 1.8 billion dirhams, showed a rise of 17.8%, chiefly owing to the expansion in sales of zinc, total sales of the other products having declined.

ENERGY

In 2002, final consumption of energy ⁽¹⁾ totalled nearly 10 million tonnes oil equivalent (TOE), showing an increase of 1.1%. This development conceals a stagnation in demand for petroleum products, an increase in electricity consumption and a fall in the use of coal. Imports of energy products totalled 11.3 million TOE to the value of 20 billion dirhams, down by 7% and 8.2% respectively compared to the previous year.

Petroleum products

Refinery output, estimated at 5.7 million tonnes, fell by 10% as a result of the fire which affected the country's main unit in November. Consequently, imports of crude oil, made at a stable average price in dirhams, decreased by 11.6% to just under 6.4 million tonnes, while those of refined hydrocarbons increased by 7.2% and totalled over 1.8 million tonnes. The dirham equivalent of these purchases decreased from 19.3 billion the previous year to 17.9 billion. Acquisitions of refined products were exempted from the payment of customs duties at the end of the year in order to build up stocks representing 90 days' consumption. Moreover, the domestic prices of these products are henceforth set every fortnight, instead of every month, on the basis of the quotations on the Rotterdam market.

Demand for petroleum products amounted to 5.9 million tonnes, comparable to the previous year's level, the rise in consumption of gas oil and butane gas having been counterbalanced by the fall in the use of the other products, particularly petrol and fuel oil.

(1) See Statistical Appendices III-3 to III-7.

Electricity

Total electricity output, more than nine tenths of which is provided by the thermal power stations and the remainder by the hydroelectric stations and wind farms, rose in 2002 by 7.2% to 14.1 billion kWh. This improvement made possible a further reduction in recourse to foreign grids, which amounted to only 1.4 billion kWh compared to 1.6 billion in 2001.

Electricity consumption increased, as in the previous year, by 5% to 13.4 billion kWh. This development was largely due to the raising of the national electrification rate from 50% to 55% after the connection of another 1 956 villages as part of the overall rural electrification programme.

In this connection, the investments made by the National Electricity Office during the year 2002 reached nearly 3.3 billion dirhams, a rise of 41% on the year. Foremost among these projects are the building of the Tahaddart combined-cycle power station with a power of 385 megawatts, the hydroelectric power stations at Dchar El Oued, the Afourer pumping station and the wind farms at Tangiers and Tarfaya, as well as the extension of the domestic electricity transport networks and of those connecting Morocco with the neighbouring countries.

In order to optimise the exploitation of the country's mineral and energy resources, the public authorities decided, in 2002, to combine the Mineral Research and Participation Bureau and the National Oil Research and Exploitation Office in a single public body for operating in this field, the National Hydrocarbons and Minerals Office. The main function of this body is to prospect for, assess and exploit reserves of hydrocarbons and mineral substances.

Oil prospecting activity, especially in the offshore areas to the south of the country, was stepped up in the year under review by the conclusion of further exploration contracts and agreements, especially with the Shell and TotalFinaElf companies.

MANUFACTURING INDUSTRY

The output of manufacturing industry showed an increase of 2.9% in 2002, against 3.2% the previous year⁽¹⁾. This was mainly due to the favourable trend in activity in the chemical and parachechemical industries, the mechanical and metallurgical industries and, to a lesser extent, in the food industries, whereas the textile sector continued to be faced by difficult economic conditions owing to the weakness of domestic demand and the strengthening of foreign competition.

Groups of industrial sectors	Weighting %	Percentage changes of industrial output indices		
		2000	2001	2002
- Food, beverages and tobacco industries	249	+5.2	+4.5	+1.9
- Textiles, clothing and leather	223	+0.7	-2.2	-0.7
- Chemical and parachechemical	218	+3.9	+4.2	+5.4
- Mechanical, metallurgical, electrical and electronic industries	181	+3.5	+6.5	+3.5
- Building materials and wood processing.....	129	+3.5	+3.7	+5.6
Overall index	1 000	+3.5	+3.2	+2.9

Food, beverages
and tobacco industries

After having shown a favourable trend during the last two years, activity in this group of industries slowed down markedly in 2002, output having risen by only 1.9% against 4.5% the previous year. This development mainly affected the

(1) See Statistical Appendix IV-1.

agri-foodstuffs sector, which suffered from foreign competition, as well as from the inadequacy of supplies of raw materials and the rise in their prices. However, the fish-canning, milk and fats sectors recorded rises of varying extent.

Stimulated by the rise in demand, especially for derived products, as well as by a slight increase in consumer prices, the activity of the dairy industry rose by 10.4%. In order to cater for the steady increase in requirements, especially during the month of Ramadan, substantial investments were made for the modernisation and extension of production capacities.

On the other hand, the output of the sugar industry fell by 3.5%, owing to the contraction in harvests of sugar beet and sugar cane. However, the start-up of a large sugar processing and storage unit in May should help to increase production capacities and improve the quality of the product.

Thanks to adequate supplies, the fish-canning sector recorded a rise of 6.9% in output, following that of 8.4% observed in 2001.

After an increase of 11.7% in 2001, the activity of the beverages and tobacco segment remained stable, owing both to the decline in output of soft drinks and juices and to the increase in tobacco manufacturing.

For its part, the activity of the fats industry, which had remained unchanged in 2001, improved by 4.9% in 2002, thanks to a marked rise in imports of oil-seeds intended to compensate for the reduction in the sunflower harvest.

On the other hand, the output of the industrial flourmills decreased by 1.4%.

After having declined by 2.1% in 2001, the output index for textiles, clothing and leather remained virtually unchanged in the year under review, the fall in activity in the textile and clothing industries having been counterbalanced by the favourable movement of leatherworking.

Textile, clothing
and leather industries

The clothing sector showed a fall of 1.5%, due to the decrease of over 5% in the lingerie and shirt and blouse sub-sector, while that of mass production of ready-made clothing remained at the previous year's level. Similarly, the output of the knitwear sector fell by 6.2%, owing to the weakening of foreign demand. On the other hand, the output of the cotton and fibre sector rose by 2.4%.

Output of textiles remained slack in 2002, owing to the keener foreign competition, especially from the countries of Asia and Eastern Europe. With a view to supporting this sector, the State and the Moroccan Textile and Clothing Industries Association concluded a framework agreement in 2002 providing for the reorganisation of administrative procedures, the stepping up of investment and the financing of programmes for raising the technical standard of these industries and supporting production.

Up for the third year in succession, the index of the leather industry rose by 4.3% in 2002, parallel with the expansion in exports of leather footwear and clothing.

Chemical and
parachemical industries

The upward trend of activity observed during the last two years in the chemical and parachemical industries sector, including the manufacture of paper and board and of rubber and plastics articles, continued in 2002 at the rate of 5.4%.

Output of phosphoric acid rose by 3.6%, assisted by the steady level of foreign demand. Output of fertilisers, on the other hand, fell by 4.3%.

Similarly, manufacture of medicines and pharmaceutical products increased by 6.4% in the year under review, compared to 8.3% in 2001, owing to the buoyancy of the domestic market and the growth in exports to some European and African countries. Output of soap and personal care products increased rapidly again, by 14.8%, while the manufacture of synthetic resins and of paints and varnishes grew only slightly.

After the decline of 2.7% observed in 2001, output of rubber and plastics articles rose by 6%, owing to the marked recovery in both domestic and foreign demand for tyres and to a large order for conveyor belts for equipping the units of the Moroccan Phosphates Office.

The paper and board industry, which had seen a slackening of activity in the previous year, recorded a rise of 4.6% in 2002. On the other hand, printing and publishing activity, which showed a favourable trend in 2001, declined by 1.4%.

Activity in the mechanical, metallurgical, electrical and electronic industries grew more slowly in 2002, showing a growth rate of 3.5% compared to 6.5% the previous year.

Engineering, metallurgical,
electrical and
electronic industries

Output of metalworking products increased by nearly 7%, against 9% in 2001, thanks to the rise in activity in nearly all industries, due to the consolidation of demand on both the domestic and export markets. The indices relating to the structural metalworking and boilermaking industry and to that of metal packaging showed increases of 11.6% and 5.8% respectively. Similarly, activity remained strong in the metal furniture, piping, fittings and domestic heating appliances sectors, but fell by 5.3% in the hardware industry.

In the compartment of transport equipment, output fell by 6%, after having increased by 14.3% in 2001. This trend reversal was due to the falling off in demand for the so-called economy car, resulting from competition from models assembled abroad. This development was reflected in a decrease in output of private cars and commercial vehicles, the total of which fell by 7.5% to 19 640 units. Manufacture of railway equipment, on the other hand, increased by 18.2% and assembling of bicycles and motorcycles by 2.4%.

The favourable trend observed in 2001 in the basic metals industry strengthened in 2002, with an expansion in activity of 16.3%. This result is attributable

in particular to the rise of 16.9% in iron and steel output, supported by the buoyancy of the building and public works sector and by the increase of 13% in non-ferrous-metal processing.

Output of electrical and electronic equipment, which remained virtually unchanged the previous year, increased by 3.6% in 2002, mainly owing to the rise of 11.7% in output of electric wires and cables, stimulated by strong foreign demand. The total for the other sub-sectors combined, on the other hand, fell, owing to the contraction in both domestic and foreign demand.

The index for the machinery and equipment sector fell again, by 1.6%, owing to the sharp reductions recorded, especially in the motor and turbine compartments, and also in those of metalworking and woodworking machines, which dropped by 33% and 37.8% respectively. The agricultural machinery and equipment branch, on the other hand, showed a rise of 11.9%.

Building materials
and wood processing

The favourable trend displayed in 2001 by the cement and building materials industry was confirmed in the year under review, this sector's production index having shown a rise of 5.6%, due to the further implementation of the social housing and infrastructure works programmes.

Sales of cement totalled nearly 8.5 million tonnes and increased by 5.3%. The steady increase in requirements induced operators to step up their production capacity. Thus, a new cement works is being built in Tetuan, entailing an investment of 1.2 billion dirhams, while the building of others is planned in a number of regions. Parallel with this, output of agglomerates increased by 10.6%, while that of ceramics remained unchanged.

Lastly, the index for the wood industry showed a rise of 3.7%, smaller than that in 2001, owing to the weakness of domestic demand and the falling off in foreign orders.

TOURISM

International tourism staged a recovery in 2002, despite adverse global economic conditions, marked by slowing growth in the major industrialised countries as well as by the impact of the events of 11 September 2001 and the uncertainties connected with geopolitical tensions. The number of tourists in the world, estimated at nearly 715 million, in fact increased by 3.1% in the year under review, after having fallen by 1% in 2001. By region, Europe remains the main destination, with 411 million visitors, representing a rise of 2.4%. The Asia-Pacific area, which now ranks second among the host regions, received over 130 million tourists, an increase of 7.9%. On the other hand, the American continent, with 120.2 million visitors, was the only region showing a decline, albeit of only 0.6%. Lastly, Africa and the Middle East, regions whose shares in international tourism are still small, being no more than 4% in each case, recorded flow increases of 3.7% and 10.6% respectively.

In this context and account being taken particularly of the economic slowdown in Europe, which accounts for over 80% of tourists visiting Morocco, the country's tourist activity was less affected than in the previous year. The number of foreign stay tourists, at 2.2 million, in fact declined by 1.2% compared to a fall of 3.3% in 2001. Arrivals of Moroccans living abroad, recorded at nearly 2 million, remained at the previous year's level, after having risen by 10.4% the previous year. Receipts from travel, which had shown an exceptional rise of 33.1% in 2001, practically remained at the previous year's level, at 29.2 billion dirhams, thus representing 16.5% of current balance of payments receipts.

The main factor in 2002 was the vigorous revival in hotel investment, stimulated particularly by the provisions of the programme contract concluded in 2001 between the State and tourism promoters within the framework of the strategy for the development of the tourist sector aimed at receiving 10 million

tourists by 2010. The year 2002 was characterised by the increase in accommodation capacity, of 6 357 beds, compared to 2 200 beds on average during the last five years, through the setting up or refurbishment of several hotel establishments. These investments entailed overall expenditure of 1.7 billion dirhams, over 30% more than in 2001.

With regard to the organisation and supervision of the sector, the law aimed at unifying the regulations applicable to tourist establishments and defining the conditions of their operation came into force. In the field of promotion, communication campaigns were conducted both in Morocco and abroad and new representation offices were opened in Dubai and Barcelona. These lines of action were supplemented by a stepping up of cooperation between the country's tourist operators and their foreign counterparts, especially those in France and Germany, with the object of making Morocco's tourist potential better known.

Greater attention was furthermore paid to vocational training in the sector with a view to providing for the expected rise in tourist activity. Thus, a new Hotel and Tourist Technology Institute was opened in July in the city of Fès and eight new establishments are to become operational by 2007.

Tourist flows ⁽¹⁾

In 2002, arrivals of foreign stay tourists fell by 1.2% to 2.2 million. This slight decline mainly conceals a fall of one fifth in the number of visitors from the American continent, which was not offset by the moderate increase in arrivals from Europe, Asia and the Middle East. The European Union remains the

(1) See Statistical Appendix V-1.

main source of tourists, with 1.8 million visitors, up by 0.4%, followed by the American continent with over 119 000 arrivals. The development of the flow of European tourists was characterised in 2002 by the increase in arrivals of French and British visitors, of 4.4% and 8% respectively. On the other hand, the decline in the number of German and Italian visitors, which has continued since 1999 for the former and 2000 for the latter, amounted to 12.1% and 9% respectively. The number of cruise tourists reached 255 305 in the year under review, having increased by 18.1%.

The structure of the tourist flow according to mode of transport is still characterised by the preponderance of travel by air, resorted to by over 70% of visitors. However, arrivals via the airports showed a decline of 4% in 2002, linked with the contraction of over one fifth in arrivals via Agadir, due in particular to the steady decline in the number of German tourists, who constitute the bulk of the city's visitors. Arrivals via Marrakech, for their part, showed no appreciable change compared to 2001. Lastly, the number of travellers by land and sea rose by 10.8% and 7.5% respectively.

Hotel activity

Considering the substantial investments made in the hotel sector, the accommodation capacity of the 625 classified establishments rose in 2002 by 6% to 103 082 beds, nearly half of which is concentrated at Agadir and Marrakech and consists of 3-star and 4-star hotels. Overnight stays recorded in 2002 totalled 11.3 million, down by 10.8%. This drop was due to a fall of 13.9% to 8.9 million in overnight stays by foreign visitors. Their average length of stay declined again in the year under review, from 7 to 6.4 overnight stays. On the other hand, overnight stays by Moroccans increased by 2.2% to 2.4 million. Altogether, the average occupancy rate of hotel establishments declined from 47.6% the previous year to 44.6%.

The implementation of the programme contract concluded between the State and promoters in the tourist sector was continued in 2002 by the award of the contract for the establishment of the “Taghazout” seaside resort, near Agadir, to a foreign group. This project, which will require an overall investment of 1.6 billion dirhams, forms part of the “Azur” plan for the equipping of five other coastal resorts at Saïdia, Larache, El-Jadida, Essaouira and Guelmim. A call for expressions of interest in carrying out these projects was launched in September and responded to by several major international promoters, despite the difficult economic conditions affecting the tourism industry worldwide. Furthermore, several contracts were signed between Morocco and major global tourist operators, with a view to the execution of tourist projects in Casablanca and Marrakech.

The efforts thus made by the public authorities with a view to achieving the target of 10 million tourists by 2010 are to be backed up by other supporting measures relating to the various components of tourist activity. These are, in particular, the liberalisation of air transport aimed at encouraging competition and thus ensuring competitive pricing, while at the same time increasing direct services catering for the country's main tourist regions. Furthermore, lines of action making provision for activities and leisure pursuits should be generally adopted parallel with the stepping up of the promotion policy aimed at the main regions from which tourists come. Lastly, domestic tourism should be permanently encouraged through the adaptation of the tourist product to the specific needs of residents and by granting them reductions in the scales of charges for stays and transport.

DEMAND

Gross domestic product, account being taken of a rise of less than 1% in producer prices, is estimated in current terms at 397.8 billion dirhams, having increased in 2002 by 3.8%, compared to 8.2% the previous year. Against this, residents' final demand rose by 3.3% to 410 billion, leading to a deficit in resources of 12.2 billion or 3.1% of GDP, compared to 3.5% in 2001 ⁽¹⁾.

Consumption

National final consumption, estimated at 319.7 billion dirhams or 80.4% of GDP, rose by 3.5%. Household consumption of market goods and services increased again, at a rate of 2.8% compared to 3.3% in 2001, thanks to the improvement in agricultural output and incomes for two years in succession. On the other hand, consumption of services provided by general government increased by 5.5% compared to 12% in 2001.

Investment

Investment, estimated at 90.3 billion dirhams, increased by 3%, account being taken of a negative change in stocks resulting from a substantial decrease in stocks of crude oil. Gross fixed capital formation, estimated at over 91 billion

(1) See Statistical Appendices I-5 to I-7.

dirhams, in fact rose by 6.8% after having remained virtually unchanged the previous year. Thus, the investment ratio, at 22.9%, improved slightly compared to 2001, although remaining below the rates achieved during the preceding years, as is shown by the following table:

Gross fixed capital formation in millions of dirhams	1999	2000	2001	2002	Changes in %	
					<u>2001</u> 2000	<u>2002</u> 2001
Plant and equipment . .	43 542	42 693	40 154	45 650	-5.9	13.7
Building	22 206	23 456	24 469	24 971	4.3	2.1
Public works	12 583	15 559	16 861	16 550	8.4	-1.8
Development and plantations	2 415	2 580	2 729	2 761	5.8	1.2
Livestock	1 150	1 134	1 162	1 210	2.5	4.1
Gross fixed capital formation (GFCF) . .	81 896	85 422	85 375	91 142	-0.1	6.8
GFCF/GDP (in %) . .	23.7	24.1	22.3	22.9	-	-

Constituting half of investment expenditure, acquisitions of plant and equipment in 2002 showed an expansion of 13.7% after having fallen by nearly 6% for two years in succession. On the other hand, building, although supported by the implementation of the programmes of construction of social housing and of combating insanitary housing, rose by only 2.1%, confirming the slowing observed for the last four years. For their part, public works, account being taken of the reduction in government equipment expenditure, showed a fall of 1.8% in 2002, thus interrupting the steady growth rate of the preceding three years. The main building projects were for the continuation of the programmes of extension of the road network, electrification and mobilisation of water resources in rural areas.

The development of investment in 2002 reflects the carrying out of major projects by public bodies, especially in the energy sector, as well as the work being done for the development or setting up of tourist areas. It also reflects a

revival of private investment in the other sectors, both for the extension of production capacities and for the renewal of existing installations, especially withing the framework of the upgrading of the productive fabric.

In view of the aims pursued with regard to growth and job creation, the level of investment is still insufficient and should be raised in the medium term, especially as the private sector is enjoying an increasingly favourable environment. The incentives provided are in fact steadily improving, parallel with the adoption of measures aimed at removing the constraints on the carrying out of projects. These lines of action are being given concrete shape by the simplification of administrative procedures through the creation of regional investment centres and by the contribution of the Hassan II Fund for Economic and Social Development to strengthening the infrastructures for industrial and tourist units. Similarly, with regard to financing, interest rates have eased further, while specific credit lines and guarantee funds have been put in place to facilitate the financing of small and medium-sized enterprises.



Disposable gross national income, consisting of GDP and net incomes from abroad, amounting respectively to 397.8 billion and 28.7 billion dirhams, totalled 426 billion dirhams, of which 75% was spent on consumption. Gross national savings, for their part, decreased by 0.8% in 2002, after having expanded by 34.3% the previous year, to 106.8 billion dirhams, or 25% of national income. Down compared to the exceptional level reached in 2001, the savings ratio still remained well above the average of 20.7% recorded during the preceding five years and appreciably exceeded the investment ratio. Thus the financing capacity, which represents the extent to which saving exceeds investment, reached more than 16 billion dirhams, or 4.1% of GDP.

PRICES

The rise in prices in 2002 was moderate again both at the level of consumption and at the production stage. In fact, while the rise in the cost of living index reached 2.8% in 2002 against 0.6% the previous year, this chiefly reflects the impact of the cyclical fluctuations in the prices of a limited number of agricultural products rather than a general trend of prices. The index for non-food products, which is less subject to volatiles changes, recorded a rise of 1.6% compared to 2% in 2001 ⁽¹⁾.

This development is confirmed by the indicators of producer prices, which showed small increases, or even downward changes, industrial producer costs having remained virtually stable overall thanks to an easing of import prices, as there was no change in the domestic prices of petroleum products and the statutory minimum wage.

Continuing the prevailing trend of the last few years, this moderate rate of inflation was underpinned on the demand side by the continued pursuit of an appropriate monetary policy, in a context which was also characterised by a further dismantling of tariffs and greater competition.

Cost of living index

The movement of the cost of living index was marked in 2002 by an almost continuous rise during the first five months of the year, mainly owing to the rise in the prices of fresh food products. After a seasonal decline which lasted

(1) See Statistical Appendices VI-1 and VI-2.

until August, the index moved upwards again at a pace which, in the year under review, proved relatively moderate because of the increase in the supply of agricultural products.

Groups of products	Weighting (in %)	Percentage changes in average cost of living			
		2000	2001	2002	Average rate of the last five years (%)
Foodstuffs	45.15	+ 1.5	- 1.0	+4.3	+1.4
of which : Meat	10.26	- 5.4	+ 1.4	+7.0	+0.7
Fresh vegetables	5.49	+21.0	-15.0	+15.2	+3.9
Non-alimentary products and services	54.85	+ 2.2	+ 2.0	+1.6	+2.0
- Clothing	7.48	+ 2.4	+ 1.4	+1.6	+2.4
- Housing	12.48	+ 1.7	+ 2.1	+1.5	+2.1
- Household equipment	5.31	+ 0.2	+ 0.1	+0.6	+0.8
- Medical care	4.71	+ 0.5	+ 1.4	+1.1	+1.5
- Transport and communications	7.58	+ 5.2	+ 2.6	+0.6	+2.6
- Leisure and culture	4.74	+ 2.2	+ 3.6	+3.3	+2.4
- Other goods and services	12.55	+ 2.1	+ 2.1	+2.2	+1.9
Overall index	100	+ 1.9	+ 0.6	+2.8	+1.7

The prices of foodstuffs went up by 4.3% and accounted for more than two thirds of the overall rise in the cost of living index. This movement was mainly due to a rise of 15.2% in the prices of fresh vegetables and one of about 7% in those of meat and fish. The prices of basic products remained virtually stable, actually falling in some cases.

For their part, the prices of non-food products and services showed a rise of 1.6% compared to 2% in 2001, thus continuing the slowdown observed over the last five years. In particular, the increase in prices for the “transport and communications” group was only 0.6% owing to the stability of the prices of

fuels on the domestic market and a decline in communication charges resulting from the increase in competition. The prices of household appliances also remained virtually stable, while the “leisure and culture” and “other goods and services” groups showed rises of 3.3% and 2.2% respectively.

Index of producer prices

The index of producer prices in manufacturing industry recorded a fall of 1.3% in 2002, after that of 1.8% observed the previous year. This decline is mainly due to the index for the “coking and refining” branch, which showed an annual average decrease of 9.7% in prices before tax.

Groups of products	Weighting (in %)	Percentage changes in average indices of industrial producer prices			
		2000	2001	2002	Average rate on three years (%)
Manufacturing industries excluding oil refining	86.7	+ 0.2	- 0.7	+0.6	-
of which :					
Food industries	28.9	- 0.1	- 0.6	+2.8	+0.9
Chemical industries	13.3	+ 0.5	- 1.9	-1.7	-1.0
Textile industry	6.5	- 3.8	+ 0.3	+0.7	-0.9
Clothing industry	6.7	- 1.3	- 0.8	-0.2	-0.8
Oil refining	13.3	+78.8	- 6.6	-9.7	+20.8
Overall index	100	+ 9.3	- 1.8	-1.3	+2.1

Prices in manufacturing industry excluding oil refining, for their part, rose by just 0.6%. This development conceals an increase of 2.8% in the food industries due to the rise in the prices of agricultural raw materials and the virtual stability, actually including some falls, in the other branches. The largest decreases were in prices relating to the chemical industry, the paper and board industry and electrical machines and appliances.

EMPLOYMENT

In 2002, the population of Morocco, estimated on the basis of average annual population growth of 1.6%, reached 29.6 million inhabitants, a rise of 461 000 persons compared to the previous year. The urban population, whose share in the total increased from 55.9% to 56.6%, rose by 465 000 persons, mainly owing to migration to the towns.

According to the results of the annual employment survey ⁽¹⁾, the labour force aged 15 and over, estimated at 10.4 million, increased by 1.5% or 149 000 persons. The employed population amounted to 9.2 million, of whom 43.1% were engaged in primary activities, 20.5% in the secondary sector and 36.4% in services. For its part, the job-seeking population totalled nearly 1.2 million persons, including 85% in urban areas. It thus represents a national unemployment rate of 11.6%, down by 0.9 percentage point compared to the previous year, continuing the downward trend which began in the year 2000.

The growth in economic activity in 2002 led to the creation of 221 000 new jobs, contributed to by most sectors, especially agriculture, building and more particularly industry, which had suffered job losses the previous year. It concerned both self-employment and paid employment and was attributable solely to the private sector, including informal activities.

In urban areas, the labour force increased by 125 000 persons compared to the previous year, reaching 5.6 million, 4.5 million of which represented the employed labour force, up by 169 000. On the other hand, the number of job-seekers decreased by 44 000 to 1 million, thus representing an unemployment rate of 18.3%, down by 1.2 percentage point compared to the year 2001.

(1) See Statistical Appendices VI-3 and VI-4.

In rural areas the labour force totalled 4.8 million, including 186 000 jobless persons, or a proportion of 3.9% compared to 4.5% in 2001. The improvement in job opportunities in rural areas is attributable to the successful farming season and was accounted for mainly by unpaid employment and self-employment.

The job promotion schemes were continued in 2002. Over 19 000 persons, of whom 57% were women, benefited from on-the-job training under the training and first-job programme, mainly in the automobile industry and in the manufacturing of electrical appliances, machines and equipment.

Similarly, since the start of the “young business people” scheme in 1988 and up to the end of August 2002, young people aged 20 to 45, holding a diploma or able to provide evidence of professional experience, obtained financing for 1 265 projects creating 43 351 jobs.

The “young entrepreneurs” programme, aimed at persons not holding a diploma, made possible since its creation in 1995 and up to the end of August 2002, the financing of 555 projects, leading to the creation of 2 652 jobs.

Furthermore, an area of over 2 067 hectares was rented out to 66 persons in implementation of the second tranche of the programme launched in January 2001 with a view to providing work for 300 graduates of higher agricultural institutions. Furthermore, during the second half of 2002, a bonus was granted to enterprises organising on-the-job training in order to give these graduates work.

Lastly, the programme for supporting self-employment, started in 1999 with the object of providing advisory services to young diploma-holders wishing to carry out projects whose investment cost does not exceed 250 000 dirhams, contributed to the setting up of over 170 enterprises in 2002, creating over 600 jobs.

FOREIGN TRADE

In 2002, in a context marked by the sluggishness of demand and keener competition on foreign markets, exports, which benefited from the buoyancy of the new branches of activity and from an appreciable rise in prices, grew at a relatively rapid pace. Against this, imports increased at a weaker pace, although faster than in 2001, the expansion in purchases induced by the investment effort having been lessened by the reduction in the energy bill. The trade deficit, which remained stable the previous year, therefore decreased slightly in 2002.

Imports amounted to 130.4 billion dirhams and increased by 4.5% or 5.7 billion dirhams, compared to 1.8% in 2001. This rise was due to the substantial increase in purchases of basic materials, semi-manufactures and capital goods, which rose, overall, by 6.3 billion dirhams or 11% compared to the previous year. At the same time, imports of energy products showed a fall of 1.8 billion dirhams, mainly due to purchases of crude oil, which fell by 1.6 billion owing to the combination of the contraction of 12% in quantities and the virtual stability of the average price per tonne imported. For its part, expenditure on purchases of foodstuffs decreased slightly, mainly owing to the improvement in the cereal harvest.

Exports amounted to 86.6 billion dirhams, showing an increase of 7.4% compared to 2.3% in 2001. This development was due to the rise of 6.9% in the sales of the Moroccan Phosphate Office group, which again brought in over 16% of total earnings, and to the increase of 7.5% in other exports, a considerable contribution to which having been made by sales through industrial subcontracting, especially those of electronic components and electric wires and cables, which represented more than a tenth of the overall value of exports⁽¹⁾.

(1) See Statistical Appendices VII-1 to VII-4.

Under these circumstances, the trade deficit fell by 0.7% to 43.7 billion dirhams, or the equivalent of 11% of GDP compared to 11.5% in 2001. The rate of coverage of imports by exports improved slightly, from 64.7% the previous year to 66.5%, as is shown by the following table:

In millions of dirhams	2001	2002	Changes in %
Imports C.I.F.....	124 718	130 377	+ 4.5
Exports F.O.B.....	80 667	86 637	+ 7.4
Balance.....	- 44 051	-43 740	- 0.7
Exports as % of imports	64.7	66.5	-

IMPORTS

Imports, amounting to 130.4 billion dirhams, increased by 4.5% owing to the rise in purchases of raw materials, semi-manufactures and finished goods, the impact of which was however lessened by the considerable reduction in the energy bill.

Imports by category of products (in millions of dirhams)	2001	2002	Changes	
			Amounts	In %
Foodstuffs, beverages and tobacco	15 402	15 144	-258	-1.7
Energy and lubricants	21 980	20 168	-1 812	-8.2
Basic materials.....	7 862	8 936	+1 074	+13.7
Semi-manufactures (*).....	26 596	28 718	+2 122	+8.0
Capital goods	23 080	26 206	+3 126	+13.5
Consumer goods	29 798	31 205	+1 407	+4.7
Total.....	124 718	130 377	+5 659	+4.5
(*) Including industrial gold.				

Purchases of foodstuffs decreased slightly to 15.1 billion dirhams. Imports of wheat, which again totalled about 33.2 million quintals, cost 5.8 billion dirhams, a decline of 6%, while those of barley, amounting to 779 million dirhams, fell by over 30%, owing to the large increase in domestic output. On the other hand, purchases of maize and sugar increased by 13.3% and 3.7% respectively.

Foodstuffs

The energy bill contracted by 8.2%, to 20.2 billion dirhams, mainly owing to the fall in purchases of crude oil, from 14.5 billion dirhams to 12.9 billion. At the same time, imports of gas oil and fuel oil and of coal decreased by 18.2% and 9% respectively to 1.5 billion and 2.1 billion dirhams. Conversely, purchases of both petroleum oils and lubricants and of petroleum gas and other hydrocarbons increased substantially, totalling 3.3 billion dirhams compared to 2.7 billion the previous year.

Energy products

The cost of supplies of raw materials, at 8.9 billion dirhams, showed a rise of 13.7% due to practically all the products. The largest increases were in imports of wood and sulphur, to the value of 1.9 billion and 1.1 billion dirhams respectively, up by 22.7% and 8.2%, and in those of oil fruits, up by over 42%, to 891 million dirhams.

Basic materials

Imports of semi-manufactures, recorded at 28.7 billion dirhams, increased by 8% or 2.1 billion dirhams. This virtually universal trend was observed, in particular, in imports of iron and steel, which increased by 20.6% to 2.5 billion dirhams. The same applies to purchases of paper and board and of plastics, which totalled 5.3 billion dirhams and rose by 6.7%. For their part, imports of fertilisers increased by 22% to 1 billion dirhams.

Semi-manufactures

Purchases of capital goods, at 26.2 billion dirhams, showed an increase of 13.5% or 3.1 billion dirhams. This was due in particular to the rise in purchases of transport equipment, mainly planes. It was also attributable to imports

Capital goods

of crushing equipment and to those of agricultural capital goods, each amounting to nearly 1 billion dirhams and showing rises of 54.6% and 12.8% respectively. On the other hand, imports of electrical telephone apparatus and telecommunications transmitters, totalling 1.1 billion dirhams, fell sharply for the second year running.

Consumer goods

At 31.2 billion dirhams, imports of finished consumer goods increased by 4.7%, mainly owing to the rise in purchases of telecommunications receivers, private cars and pharmaceutical products, which amounted respectively to 2.6 billion, 2.4 billion and 1.8 billion dirhams, representing rises of 9.6%, 12.9% and 11.7%. Imports of textile products, mainly for re-exporting under the system of temporary admission, decreased overall by 3.6% to 11.6 billion dirhams, including 8.4 billion in respect of cotton and synthetic fibres, compared to 8.7 billion dirhams in 2001.

EXPORTS

Reaching 86.6 billion dirhams, export earnings rose by 7.4% or 6 billion dirhams. Exports of semi-manufactures and capital goods alone showed an overall rise of 4.3 billion dirhams, nearly half of which was due to sales of electronic components and electric wires and cables made under the temporary admission system. On the other hand, sales of energy products contracted markedly, by nearly 1 billion dirhams.

Foodstuffs

Despite an almost universal fall in quantities, export earnings from foodstuffs increased by 7.6% to nearly 18 billion dirhams. Sales of crustaceans, molluscs and shellfish, which brought in 5.9 billion dirhams, improved by 13.5%, while those of canned fish, at 2.8 billion dirhams, rose by 8%. Exports of fresh fish and fish meal, on the other hand, amounted to 1.4 billion and 149 million dirhams, having fallen by 5.9% and 66% respectively. Sales of citrus fruits and early fruit and vegetables totalled 4.2 billion dirhams, an increase of 8.2%.

Exports by category of products (in millions of dirhams)	2001	2002	Changes	
			Amounts	In %
Foodstuffs, beverages and tobacco	16 691	17 954	+1 263	+ 7.6
Energy and lubricants	3 406	2 427	- 979	-28.7
Basic materials.....	7 130	8 180	+1 050	+14.7
Semi-manufactures (*).....	17 433	20 621	+3 188	+18.3
Capital goods	4 506	5 606	+1 100	+24.4
Consumer goods.....	31 501	31 849	+ 348	+1.1
Total	80 667	86 637	+5 970	+7.4
(*) Including industrial gold.				

Showing an overall rise of 14.7%, exports of basic materials brought in 8.2 billion dirhams. Sales of phosphates accounted for 4.7 billion dirhams of this total, having increased by 11.2%. Owing to the expansion in demand, exports of zinc ore rose from 409 million to 564 million and those of paper pulp from 237 million to 480 million dirhams.

Basic materials

Exports of semi-manufactures, amounting to 20.6 billion dirhams, expanded by 18.3% or 3.2 billion dirhams. Exports of electronic components, at 5.4 billion dirhams, increased by over a quarter, while those of phosphoric acid rose by 14.1% to 5.8 billion dirhams. On the other hand, sales of natural and chemical fertilisers, at 3.7 billion dirhams, showed a fall of 6.9% due to that of 10.5% in the quantities exported.

Semi-manufactures

Exports of capital goods rose from 4.5 billion dirhams to 5.6 billion, over 60% of which was accounted for by sales of electric wires and cables, up by nearly one third. Similarly, sales abroad of electronic sub-systems rose by 28.5% to nearly half a billion dirhams.

Capital goods

Consumer goods

At 31.8 billion dirhams, sales of finished consumer goods, over two thirds of which were made under the system of temporary admission without payment, increased slightly. This development conceals, in particular, a rise of 6.4% in sales of ready-made clothing, to 18.3 billion dirhams, and, on the other hand, a fall of over 11% in sales of knitwear, amounting to 7.9 billion dirhams.

GEOGRAPHICAL DISTRIBUTION OF TRADE

The geographical breakdown of trade highlights the predominant share of the European Union, which accounts for 72.3% of exports and 56.3% of imports. Amounting to 10.7 billion dirhams, the structural deficit in relation to this group of countries decreased slightly compared with its previous year's level. This development conceals, in particular, a worsening of the deficit with Spain and Italy, to 1.5 billion and 2.8 billion dirhams respectively, compared to 100 million and 1.8 billion in 2001. On the other hand, the deficit in relation to France, of over 4 billion dirhams, was replaced in 2002 by a surplus of 1.4 billion dirhams, owing to the marked fall in imports.

As regards the Arab countries of the Middle East, net outflows of foreign currencies amounted to 10.2 billion dirhams, a rise of 4.9%. Constituting the bulk of trade with this region, imports, mainly of petroleum products, reached 11.4 billion dirhams and showed a slight increase, while exports fell by 17.2% to 1.2 billion dirhams.

Trade with India, the main destination of our exports of phosphoric acid, produced a surplus of 2.3 billion dirhams, an increase of 12.8%. The surplus with Japan, amounting to 738 million dirhams, also improved, mainly owing to the increase in exports of crustaceans, molluscs and shellfish.

In the case of trade flows with the United States, the deficit widened by 89% to 2.8 billion dirhams while it decreased from 2.2 billion dirhams to 1.4 billion in relation to Canada. As regards Brazil, the deficit narrowed to

1.7 billion dirhams, owing to the substantial growth in exports, from 906 million to 1.6 billion dirhams.

Trade with the countries of the Arab Maghreb Union resulted in a deficit of 1.6 billion dirhams, down by over 6%, owing mainly to the decrease in the deficit with Algeria.

EXTERNAL FINANCIAL RELATIONS

Despite an unfavourable international context, marked in particular by geopolitical tensions, unstable financial markets, the reorientation of tourist flows and the rise in the price of oil, the positive results recorded the previous year in the external accounts were consolidated in 2002.

The year under review was furthermore characterised on the international exchange markets by a pronounced depreciation of the dollar, especially against the euro. The readjustment of the basket for quotation of the dirham which took place in April 2001 made it possible to reduce the impact of this development on the national currency and thus on external commercial and financial transactions.

Overall, the net external assets, which had increased markedly the previous year, rose further in 2002, owing to the surplus achieved, for the second year in succession, in respect of current transactions and chiefly attributable to the maintenance at a high level of tourist earnings and transfers made by Moroccans living abroad and to the slight reduction in the trade deficit. This surplus also more than offset the negative balance left in the year under review by financial transactions.

BALANCE OF PAYMENTS

The balance of payments showed a surplus of 7 billion dirhams compared to one of 43.5 billion in 2001. The net foreign exchange reserves thus reached nearly 111 billion dirhams, or the equivalent of nine months' imports of goods and services.

The surplus in respect of current transactions in fact remained substantial, at 16.5 billion dirhams or 4.1% of GDP. Financial transactions, for their part, showed a deficit of 8.5 billion dirhams, after a surplus of 22.6 billion recorded a year earlier. This movement was mainly due to the contraction in capital inflows for the private sector and to the increase in repayments on the public foreign debt⁽¹⁾.

Balance in millions of dirhams	1999	2000	2001	2002
A. Current transactions	- 1 637	- 5 046	+18 209	+16 451
Goods.....	-23 998	-34 374	-34 157	-33 461
of which : general merchandise	-32 318	-44 629	-43 671	-45 280
Services	+10 905	+12 132	+21 594	+21 369
of which : travel	+14 679	+17 145	+24 796	+24 262
Income	- 9 664	- 9 184	- 9 412	-8 137
Unrequited transfers	+21 120	+26 380	+40 184	+36 680
B. Capital and financial transactions account	+16 464	- 583	+22 625	-8 476
Capital account	- 83	- 63	- 101	-67
Financial transactions account	+16 547	- 520	+22 726	-8 409
Private sector	+21 091	+ 7 557	+33 997	+5 743
Public sector	- 4 298	- 8 330	- 12 205	-13 982
Other	- 246	+ 253	+ 934	-170
C. Statistical discrepancy	+ 1 238	+ 1 223	+ 2 657	-946
Overall balance	+16 065	- 4 406	+43 491	+7 028(*)
(*) Details may not add to overall balance due to rounding.				

(1) See Statistical Appendix VIII-1.

Current transactions

Goods At 33.5 billion dirhams, the trade deficit on a FOB basis decreased by 2%. This slight decline conceals a rise of 3.7% in the deficit in respect of trade in general merchandise and, conversely, an improvement of a quarter in the value added under the system of temporary admission without payment, recorded at 11.5 billion dirhams.

Services The surplus in respect of services, at 21.4 billion dirhams, practically remained at the previous year's level. With regard to travel, tourist earnings remained virtually unchanged, at 29.2 billion dirhams, whereas expenditure rose by 11.3%, to 4.9 billion dirhams. This increase is mainly attributable to outflows of foreign currencies in respect of tourism, which represent more than 38% of the category and which increased by nearly a quarter, mainly owing to the raising, in February 2002, of the annual appropriation for tourism.

Transfers made by general government, mainly for covering the operating costs of diplomatic representations, resulted in net outpayments of 2.7 billion dirhams, representing an increase of 41.7%.

Other services produced an overall deficit of 147 million dirhams, compared to 1.3 billion in 2001. This appreciable reduction was mainly due to the improvement in the surplus in respect of communication services and to the decrease in the deficit resulting from transport costs.

Income The deficit in respect of transactions relating to the remuneration of capital, amounting to 8.1 billion dirhams, decreased by 13.5% or 1.3 billion dirhams, mainly owing to the drop of 1.6 billion in interest charges on the public foreign debt, amounting to 7 billion dirhams. This easing is attributable to the fall both in international interest rates and in the outstanding amount of the foreign debt. For their part, the proceeds of public investments abroad,

amounting to 4.1 billion dirhams, improved by 14.7%, mainly owing to the increase in foreign assets, the impact of which more than compensated for the decline in yield rates. Lastly, continuing its upward trend, expenditure in respect of income transfers from foreign investments reached 5.3 billion dirhams in 2002, showing an increase of 17.1%.

The surplus in respect of unrequited transfers decreased from 40.2 billion dirhams to 36.7 billion, including 35.5 billion on the private current surplus, which declined by 11.2%. This movement was attributable to transfers made by Moroccans living abroad, which fell in the year under review by 14%, to 31.7 billion dirhams, after the exceptional rise of over 60% achieved in 2001. The transactions in banknotes amounted to 8.9 billion dirhams, a fall of 44.8%, transfers having increased by 10.2% to 22.8 billion dirhams. Pensions and other social incomes amounted to 4.6 billion dirhams, having grown by 15.9%.

Unrequited transfers

The surplus in respect of public current transfers, for its part, rose by 225 million dirhams to 1.2 billion, owing to the substantial increase in donations.

Capital and financial transactions account

The capital and financial transactions account showed a deficit of 8.5 billion dirhams, compared to a surplus of 22.6 billion in 2001, generated mainly by the proceeds of the sale of 35% of the capital of Maroc Telecom, which had increased the volume of foreign private investments.

Capital flows for the private sector in fact fell from 38 billion dirhams to 10.2 billion, including 3.5 billion in respect of commercial credits. As for loans and investments, their amount decreased from 33.3 billion dirhams to 6.6 billion. Loans reached 1 billion dirhams, compared to 527 million in 2001, while direct investments fell from 32.5 billion dirhams to 5.2 billion. Over 41% of the latter were made by France and mainly benefited industry and the real estate sector.

The external loans obtained by the Treasury and public institutions totalled 7.3 billion dirhams, showing an increase of 3.6% compared to the amount reached in 2001. This development conceals an expansion of 64.3% in commercial credits, to 1.3 billion dirhams, and a decline of 3.2% in foreign currency loans, which totalled 6.1 billion dirhams. In the year under review the funds raised by the public sector came largely from the Arab Monetary Fund and the European Investment Bank, which contributed 1.1 billion and 1.4 billion dirhams respectively, compared to 843 million and 1 billion dirhams in 2001. On the other hand, drawings on loans granted by the International Bank for Reconstruction and Development and the African Development Bank, amounting respectively to 500 million and 796 million dirhams, decreased by 26.8% and 31.1%. The funds borrowed were mainly to be used for continuing the reform of the financial sector and developing the telecommunications infrastructure.

For its part, expenditure on the redemption of the public foreign debt amounted to 21.3 billion dirhams. It increased by 10.5%, mainly owing to the settlements made in connection with the active management of the debt. Thus, an early redemption of expensive loans was made in favour of the African Development Bank, totalling 2.1 billion dirhams. Operations of conversion of debts into investments, carried out in the year under review with Spain, Italy and Kuwait, amounted altogether to 1.2 billion dirhams.

Net negative transfers resulting from loans and from redemptions of the capital of the public foreign debt thus reached 14 billion dirhams, showing a rise of 14.6%, mainly connected with transactions with the International Bank for Reconstruction and Development and the African Development Bank.

Altogether, the outstanding amount of the public foreign debt, the burden of which is still decreasing, amounted at the end of December 2002 to 142 billion dirhams, representing 35.7% of GDP, compared to 42.6% at the end of the previous year.

Account being taken of payments in respect of interest, the overall burdens of the public foreign debt reached 28.3 billion dirhams, again representing 16% of current receipts.

THE REGULATIONS GOVERNING EXTERNAL COMMERCIAL AND FINANCIAL RELATIONS

The opening up of the Moroccan economy proceeded further in 2002 through the adoption of further measures liberalising foreign exchange transactions.

Thus a further step was taken in the liberalisation of capital transactions, through the permission given to the banks to make foreign currency investments abroad, which made it possible to widen investment possibilities, which had previously been restricted to transactions carried out between banks and with the Bank Al-Maghrib.

The banks were furthermore authorised to grant credits in dirhams for use by non-residents for financing the building or acquisition of real estate in Morocco, subject to a personal foreign currency contribution of at least 30% of the value of the goods and to repayment by the sale of foreign currencies.

In addition to the extension from three months to one year of the maximum duration of operations covering the exchange risk connected with imports, further relaxations were made in the regulations governing current transfers. In this connection, the annual tourist appropriation was raised from 10 000 to 15 000 dirhams and the banks were entrusted with the task of issuing the foreign exchange allowances for public sector personnel on missions or undergoing on-the-job training abroad.

Lastly, in accordance with the commitments entered into by Morocco for the gradual introduction of free trade areas with the European Union and the European Free Trade Association (EFTA), the dismantling of tariffs was continued in 2002 with a reduction of 25% in the customs duties applicable to a list of products including raw materials, intermediate goods and products not manufactured locally, before their total exemption on 1 March 2003, the starting date for the reduction of tariffs on imports of products manufactured locally at the rate of 10% per year.

FOREIGN EXCHANGE MARKET

Quotation of foreign exchange rates

In 2002, the developments observed on the international foreign exchange markets were marked by the appreciable recovery of the euro, especially vis-à-vis the dollar, against which it appreciated by nearly 15% from year-end to year-end. These movements were reflected in an appreciation of the national currency of 13.7% against the dollar and of 2.7% and 2.4% against the yen and the pound sterling respectively. On the other hand, the dirham depreciated by 3.8% against the euro and by 5.6% against the Swiss franc ⁽¹⁾.

The effective exchange rate for the dirham, calculated on the basis of average annual rates, remained virtually stable both in nominal value and in real terms.

(1) See Statistical Appendices IX-1.

Foreign exchange transactions

The development of the Moroccan foreign exchange market during the year 2002 was characterised by a fall of more than a half in the monthly average of the banks' foreign currency deposits with the Bank Al-Maghrib and their reorientation towards foreign correspondents, following the authorisation given to the banks to make foreign currency investments abroad. However, their exchange positions remained at a level well below the regulation ratios.

Owing to the banks' recourse to foreign exchange arbitrage on the international market, interbank spot transactions against dirhams continued to move downwards, their monthly average volume having fallen, over the year, from 1.5 billion dirhams to 1.2 billion, or the equivalent of 5.6% of purchases from and sales to customers, compared to 7.3% in 2001.

Transactions with the Bank Al-Maghrib, which remained small and continued to be made on an ad hoc basis, consisted only of spot purchases of foreign currencies against dirhams, which averaged 594 million dirhams per month.

Spot currency swaps carried out by Moroccan banks with their foreign correspondents reached a monthly average value of 9.6 billion dirhams, compared to 10.1 billion the previous year. Of these arbitrage transactions, 48.2% were against the dollar and 46.1% against the euro.

The monthly average of the outstanding amount of forward foreign exchange contracts rose from 7.1 billion dirhams to 7.9 billion, comprising 6.5 billion for covering the exchange risks connected with imports and 1.4 billion in respect of exports.

Lastly, on the basis of the end-of-month averages, the outstanding amount of interbank lending and borrowing in foreign currencies was 1 billion dirhams, showing an increase of 6.5%.

PUBLIC FINANCE

The year 2002 was marked in the field of public finance by the postponement of virtually all the privatisation operations, which were to bring in revenue amounting to 12.5 billion dirhams. The resultant additional financing requirement was reduced because the charges for subsidisation and interest service on the debt turned out to be less than had been forecast. This relief also reflects the maintenance of the State's operating expenditure at a lower level than had been planned, as well as the increase in tax revenue. Under these circumstances the budget deficit, although above the originally planned limit of 3% of GDP, was kept down to 4.3% of GDP. This deficit was covered on the tender market, at declining rates. Consequently the domestic debt increased, while the effort to reduce the foreign debt was continued ⁽¹⁾.

2002 FINANCE ACT

The Finance Act for the year 2002 follows the main lines of the 2002-2004 development plan, namely the promotion of investment and employment, the consolidation of the public finances, the dynamisation of the financial sector, the gradual integration of Morocco in the world economy and the development of the social sectors.

In this connection, the Government adhered in 2002 to its policy of partnership with the private sector, especially by the introduction of a framework agreement reached with the textile industry. Furthermore, the dismantling of

(1) See Statistical Appendices X-1 to X-4.

tariffs provided for under the free trade agreement with the European Union was continued. Parallel with this, indirect exporters were permitted to benefit from the drawback system and international transport enterprises were exempted from the payment of value added tax. Lastly, the right to deduct value added tax on gas oil was granted to units which engage in road transport of goods using their own equipment.

With a view to boosting the stock market, it was decided to grant institutional investors an abatement of a half on capital gains from the sale of listed shares and to exempt natural persons from the general income tax in respect of profits from the sale of these securities.

The Finance Act also provided for the generalisation of the pension system provisions adopted in 1997 to cover all civil servants who had retired before that date, and the establishment of 6 000 occasional civil servants and to create over 11 000 new jobs, mainly in the education sector. Furthermore, the value added tax applied to medical measures and to medicines for the treatment of certain chronic diseases was abolished. Furthermore, the programme for combating insanitary housing was supported by the introduction of a tax on sales of cement. At the same time, the increase of 2% applied annually to the rental value used for calculating the urban tax and the municipal tax will henceforth take place only every five years.

EXECUTION OF THE 2002 FINANCE ACT

Fiscal revenue, including the amount of the value added tax transferred to local authorities, totalled 87.7 billion dirhams, showing a year-on-year increase of 4.1%, mainly due to the growth in the proceeds of direct taxes, chiefly corporation tax. Non-fiscal revenue, which brought in only 37.7%, amounted to 7.9 billion dirhams compared to 31.8 billion, mainly because of the sharp fall in privatisation proceeds. Altogether, the Treasury's current revenues fell short of the previous year's level. However, excluding privatisation, they increased by

2.8%. Against this, current expenditure declined on the year by 2.3%, owing to the fall in the interest charges on the foreign public debt and the subsidisation of basic products.

Under these circumstances, public saving reached 8.4 billion dirhams and covered 41.4% of investment expenditure. The Treasury's deficit therefore increased from 2.6% of GDP in 2001 to 4.3% in 2002.

Treasury current account revenue

At 98.9 billion dirhams, Treasury current account revenue showed a fall of 16.9%, concealing a rise of 4.1% in fiscal revenue and a fall of over three quarters in non-fiscal revenue.

The increase in fiscal revenue is mainly due to direct taxes, especially corporation tax, which rose by 10.4% to 12.9 billion dirhams. The proceeds of the general income tax, for their part, rose by 6.6% to a total of 16.4 billion dirhams, compared to 15.3 billion in 2001.

Revenue from indirect taxes, at 40.1 billion dirhams, grew by 2.2% compared to 6.9% the previous year. This slowing is attributable both to the proceeds of the value added tax and to those of domestic taxes on consumption, whose rates of increase fell from 8.5% and 4.6% respectively in 2001 to 2.8% and 1.4%. Registration fees and stamp duties brought in nearly 5 billion dirhams, up by 10%, owing to the increase in real estate transactions. On the other hand, bringing in 12.2 billion dirhams, customs duties fell by 0.9% as a result of the dismantling of tariffs provided for under the free trade agreement with the European Union.

Non-fiscal revenue fell from 31.8 billion dirhams the previous year to 7.9 billion, chiefly owing to the fall in privatisation receipts. Forecast at 12.5 billion dirhams, these were to come from the sale of 16% of the capital of Maroc

Telecom, and from that of the State's participation in certain bodies such as the state-owned Tobacco Company (Régie des Tabacs), SOMACA and the Banque Centrale Populaire. These earnings were actually achieved only to the extent of 5%, bringing in just 621 million dirhams of revenue, resulting from the sale to the regional "banques populaires" of 21% of the capital of the Banque Centrale Populaire, compared to the exceptional amount of 23.4 billion obtained in 2001. Furthermore, monopoly incomes decreased by 13.5% to 4.2 billion dirhams, chiefly because of the fall of more than a half in the financial counterpart paid by Maroc Telecom. Proceeds from state property also declined, from 168 million dirhams to 141 million. Lastly, miscellaneous receipts, amounting to 2.9 billion dirhams, showed a fall of 14.5%.

Treasury expenditure

Budgetary expenditure totalled 115.9 billion dirhams, showing a decrease of 10%, in respect of both current and equipment expenditure.

At 90.5 billion dirhams, current expenditure showed a fall of 2.3%, owing to the decline in subsidisation expenditure of 44.7%, to 4 billion dirhams, and the decrease of 28.3% in the interest charges on the foreign debt, to 4.2 billion dirhams, while the Treasury's out-payments on interest on the domestic debt increased by 2.6% to 13.2 billion. Operating expenditure, kept down to a lower level than forecast, amounted to 69 billion dirhams, representing a rise of 3.8% compared to the previous year. Personnel expenditure increased by 1.2%, to 48.6 billion dirhams, representing 12.2% of GDP. Expenditure on goods and services rose by 10.3% to 20.5 billion dirhams.

Equipment expenditure, for its part, amounted to 20.3 billion dirhams, down 4.7% compared to the previous year. Account being taken of the negative net balance of the Treasury's special accounts, totalling 5.1 billion dirhams, and of payments of 120 million dirhams to the Hassan II Fund for Economic and

Social Development, the budget deficit amounted to 17.1 billion dirhams. Overall, the Treasury, which again reduced its arrears, by 231 million dirhams, had a cash deficit of 17.3 billion dirhams compared to 18.8 billion in 2001.

THE FINANCING OF THE TREASURY DEFICIT

In order to meet its financing requirement and cover the net capital outflows in respect of the foreign debt, the Treasury resorted to domestic financing for a net amount of 28.5 billion dirhams in a context characterised by abundant liquidity and declining interest rates.

In millions of dirhams	Year* 2001	Year 2002
Current revenue	118 964	98 882
Tax revenues	84 235	87 666
Non-fiscal revenues	31 810	7 862
Receipts of certain special Treasury accounts	2 919	3 354
Current expenditure	92 612	90 491
of which : Interests on public debt.....	(18 754)	(17 411)
Current account balance	26 352	8 391
Equipment expenditure	21 253	20 253
Special accounts balance	- 4 527	- 5 068
Hassan II Fund ⁽¹⁾	10 613	120
Budget surplus or deficit	-10 041	-17 050
Changes in arrears	- 8 796	- 231
Cash deficit	- 18 837	-17 281
Net financing	18 837	17 281
External financing	- 9 861	-11 199
Drawings	3 342	4 484
Amortization	-13 203	-15 683
Domestif financing	28 698	28 480
Bank financing	-7 795	2 632
- Bank Al-Maghrib ^(**)	(-19 227) ⁽¹⁾	(-1 140)
- Banks	(11 432)	(3 772)
Non-bank financing	36 493	25 848
- On the capital market	18 860	12 808
- Monetary deposits.....	113	73
- Other deposits	17 520	12 967
(*) Revised		
(**) Excluding cheques held for discount.		
(1) Including a 10 billion dirhams deposit made in respect of the Hassan II Fund for Economic and Social Development.		

External financing

In 2002, the Treasury received external financing totalling 4.5 billion dirhams, including 1.3 billion in the form of donations made mainly by the European Union. The loans obtained totalled 3.2 billion dirhams and came

chiefly from the Arab Monetary Fund, the African Development Bank and the World Bank. These resources are to be partly used to support the development of the information infrastructure and to finance investment projects. However, payments of capital increased by 19%, reaching 15.7 billion dirhams, including the early repayment of loans of the African Development Bank amounting to 2.1 billion dirhams, as well as the conversion into investments, to the amount of 1.3 billion, of debts contracted from Italy, Kuwait and Spain. The net negative flow of foreign capital thus increased, from 9.9 billion dirhams the previous year to 11.2 billion.

Domestic financing

As in the previous year, the Treasury resorted to domestic financing, raising a net amount of 28.5 billion dirhams, including 2.6 billion from the banking system. Issues of bills by tender brought in a net amount of 26.8 billion dirhams, chiefly from UCITS, whose net subscriptions totalled 12.3 billion dirhams, while those of the insurance companies and provident institutions reached 7.7 billion dirhams. On the other hand, over-the-counter issues of six-month Treasury bills resulted in a negative flow of 6.8 billion dirhams, while net subscriptions in respect of other loans amounted to 4.3 billion dirhams.

THE DIRECT PUBLIC DEBT

The outstanding amount of the direct public debt, excluding deposits with the Treasury and the Postal Cheque Service, stood at the end of December 2002 at 289.3 billion dirhams, slightly lower than the previous year. The Treasury's overall debt ratio thus decreased from 76.4% of GDP the previous year to 72.7%. The development of the debt is characterised by a continuous fall in foreign indebtedness since 1993, whereas domestic borrowing is tending to increase in a context marked, during the last two years, by the fall in interest rates.

At the end of December 2002 the domestic debt amounted to 197 billion dirhams showing an increase on the year of 8.2% and representing around 68% of the overall direct public debt compared to 62% in 2001. This increase is due to the rise of 26.8 billion in the funds raised on the tender market, the outstanding amount of which reached 169.9 billion dirhams. Out of this total, the banks hold 36.5%, followed by the insurance companies and provident institutions with 27.7% and the UCITS with 21.3%. On the other hand, the resources raised in respect of the other debt instruments declined, especially in the case of six-month Treasury bills, the outstanding amount of which fell from 9.4 billion dirhams to 2.5 billion, owing to the limitation of subscription for these bonds to natural persons alone since July 2002, and to successive falls in their rate of remuneration.

The foreign debt amounted to 9.1 billion dollars or 92.8 billion dirhams, compared to 9.5 billion dollars or 110.6 billion dirhams a year earlier. Its share in overall indebtedness thus decreased from 37.8% to 32%.

MONEY

MONETARY POLICY

Thanks to the maintenance of control over inflation and the favourable trend of the external accounts which characterised the previous year, monetary policy pursued in 2002 was aimed at further promoting price stability and consolidating the process of easing the financing conditions of the economy, in order to contribute to the improvement in performance as regards growth and employment.

Reflecting the orientations of monetary policy, the quantitative target was fixed for the year 2002, with reference to the aggregate M1, within a range of 6.5% to 7.5%, account being taken of an expected growth rate of around 4.5% and the prospect of a rise of no more than 2.5% in prices. Creation of money was to be brought about mainly by the raising of the level of exchange reserves reached at the end of the previous year and an increase in the supply of credit enabling economic activity to be adequately financed.

Against this background, the Bank Al-Maghrib reduced the key rates on 19 March 2002, and then again on 26 December of the same year, by a total of 100 basis points, lowering them to 3.25% for seven-day advances on calls for tenders and 4.25% for five-day advances. Similarly, with effect from 13 May 2002, the central bank reduced from 3% to 2.5% the rate for withdrawals of liquidity, which actually replaces the floor key rate when the market is “non-bank”.

In view of the persistence of situations of surplus liquidity, the regulation of the money market was effected, in 2002, chiefly by recourse to liquidity-withdrawal operations. In the absence of indications that the money market was returning to a “bank market” situation, the Bank Al-Maghrib had to resort to an increase of the monetary reserve ratio from 10% to 14%, on 26 December 2002. It coupled this measure with, on the one hand, the remuneration at the

rate of 0.5% of all the funds built up for this purpose, to prevent the resultant cost from interfering in the mechanisms of transmission of the impulses of monetary policy and, on the other hand, with a reduction of the key rates in order to give a clear signal regarding the monetary authorities' determination to encourage the putting in place of better conditions for the financing of the economy.

Moreover, in order to limit the volatility of the rates applied on the inter-bank market, the Bank Al-Maghrib re-established, from 15 April 2002, the rule requiring the observance of a daily average for the monetary reserve ratio during a reference period of one month⁽¹⁾.

THE IMPLEMENTATION OF MONETARY POLICY

In 2002 the Bank Al-Maghrib intervened mainly by liquidity-withdrawal operations, to mop up liquidity surpluses and thus bring the market to equilibrium level permitting both the formation of debtor interest rates conducive to supporting economic activity and sufficiently positive creditor rates.

At the beginning of the year 2002 the expansionary effect resulting from the increase in the Treasury's recourse to the Bank Al-Maghrib more than counterbalanced the restrictive impact produced by the outflows of foreign currencies to meet the payments due on the foreign debt. The central bank therefore withdrew liquidity in amounts which peaked at 5.2 billion dirhams, at a rate of 3%.

From February to April bank cash holdings suffered from the restrictive effect due to the reduction of the Treasury's debt towards the central bank and its building up of a credit balance with the Bank. To ease the strains to which the

(1) See Statistical Appendices XI-1 to XI-13.

interbank rate had been subject, especially at the beginning of April, when it had reached 6.67%, a level considerably above the ceiling key rate, the Bank Al-Maghrib granted five-day and 24-hour advances totalling over 2 billion dirhams and injected 875 million of additional liquidity by purchasing Treasury bills through open market operations. The interbank rate thus gradually returned to around 3%.

In order to absorb the liquidity surpluses which reappeared during the following two months, especially in May, owing to inflows of foreign currencies, the Bank Al-Maghrib sold the whole of its portfolio of Treasury bills and carried out liquidity-withdrawal operations, for amounts ranging from 1.8 billion dirhams to 3.5 billion, at a lower rate of 2.5%.

In July and August, when the banks' cash holdings were affected by the seasonal increase in the note and coin circulation, the Bank Al-Maghrib reduced the amount of the liquidity withdrawals from 3 billion to 1.5 billion before temporarily abandoning such operations. Far from undergoing strains, as at the beginning of April, the interbank rate instead stabilised slightly below the rate for seven-day advances, thanks to the re-establishment of the rule requiring the monetary reserve to be complied with on monthly average.

The improvement in bank cash holdings, from September to November, owing mainly to the seasonal return flow of notes and coins in circulation, induced the central bank to resort permanently to liquidity-withdrawal operations, the amount of which again reached 5 billion in October and November. The interbank rate consequently remained at a level close to that for liquidity withdrawals.

After having managed the situation of abundant liquidity for more than a year and a half, the Bank Al-Maghrib, in order to freeze the excess liquidity holdings lastingly, decided in December 2002 to raise by 4 percentage points the monetary reserve ratio, which had remained unchanged since 1992. This enabled it, while stopping its liquidity-withdrawal operations, to mop up the

remaining surpluses, amounting to over 6 billion dirhams, and to bring the interbank rate back within the band bounded by the rates for the Bank Al-Maghrib's seven-day and five-day advances.

THE RESULTS OF MONETARY POLICY

Under the combined effect of the measures regulating liquidity and lowering the Bank Al-Maghrib's key rates, the average interbank rate declined by 145 basis points, from 4.44% in 2001 to 2.99% in 2002.

This development was coupled, from year-end to year-end, with the lowering of all the weighted average interest rates applied, although to varying extents. The rates of remuneration of six-month and one-year deposits in fact fell by 93 and 73 basis points respectively to reach, at the end of December 2002, 3.59% and 4.11%. Similarly, the rates offered on Treasury bills issued by tender underwent declines ranging from 65 basis points for 15-year bills to over 210 basis points for the shortest maturities.

The rate of remuneration of six-month Treasury bills issued on tap, index-linked to that of the 26-week bills issued by tender, was reduced by 100 basis points and was set at 5.10% for the first half of 2002, before being lowered to 3.90% and 3.30% respectively for the third and fourth quarters of that year. Having previously been half-yearly, the reference period and the frequency of calculation of the rate for six-month Treasury bills became quarterly from July 2002 onwards.

For their part, the rates paid on balances on deposit books with the banks and on accounts on savings books of the National Savings Fund, index-linked respectively to the rates on 52-week and five-year Treasury bills issued by tender, declined by a total of 130 and 25 basis points respectively, and were set at 3.42% and 3.50% for the second half of the year 2002.

The rates for issues of bonds and negotiable debt securities, for their part, were reduced to a greater or lesser extent depending on the degree of risk presented by the issuers.

Reflecting the continuation of the downward trend of debtor rates, the weighted average cost of bank credit declined to 8.48% during the second half of 2002, compared to 8.87% for the corresponding period of the previous year, showing a fall of 39 basis points, whereas the weighted average rate for lending by the financing companies fell by 25 basis points.

However, the banks still allowed their best customers to enjoy rates close to the base rates, which remained unchanged between 7% for short-term credit and 8.25% for long-term borrowing, while applying to small and medium-sized enterprises and individuals rates including risk premiums which, although becoming smaller, still appear high. In fact, the highest rates recorded for the fourth quarter of 2002 stood at around 12.75% for short-term credits, 13% for medium-term credits and 12% for long-term credits, compared to 13.25% for the corresponding period of the previous year.

With regard to the quantitative target, the monetary aggregate M1 showed, year-on-year, a rise of 9%, which was above the monetary target set at between 6.5% and 7.5% at the beginning of the year 2002. This overstepping, which actually took place during the month of December, is attributable not to the development of the sources of money creation but more to the transformations which took place in portfolios of financial assets, sight assets having increased appreciably parallel with the decline in investments in the form of time deposits and, above all, six-month Treasury bills.

In fact, the increase in the money supply in the broad sense, represented by the aggregate M3, was only 6.4% in 2002, against 14.1% in 2001. This development was due to an increase in net foreign assets and a moderate rise in domestic credit, largely attributable to lending to the private sector. At the same time, the total of liquid investment aggregates increased by 20.6%. Overall, the

liquidity of the economy, consisting of M3 and all the liquid investment aggregates, increased by 11.7% on average, compared to 9.9% in 2001.

The rate of increase in liquidity turned out to be considerably higher than the growth rate of economic activity at current prices, which amounted to 3.6%, indicating a slowing of the velocity of circulation of money and a strengthening of cash holdings. Inflation thus remained moderate, the speeding up of the rise in the cost of living index, from 0.6% in 2001 to 2.8% in 2002, having been brought about solely by the rise of 4.3% in the prices of foodstuffs, subject to wide cyclical fluctuations, whereas the increase in the prices of other goods and services was only 1.6%, compared to 2% the previous year.



Bank lending increased in the year under review by 3.5%, a rate close to that of the growth in GDP at current prices. This development took place in a context of abundant liquidity in which the banks employed their surpluses on the money market at low yield rates. At the same time, small and medium-sized enterprises continued to stress their difficulties in obtaining bank credit. Owing to the size of their portfolio of pending claims, the banks tend to be more selective in the distribution of credit and to apply high risk premiums especially in cases of inadequacy of the real guarantees or lack of financial transparency.

In this context, small and medium-sized enterprises would find it beneficial, in their upgrading process, on the one hand to improve the quality of their financial information and on the other hand to resort to the specific guarantee and financing mechanisms put in place by the public authorities. Similarly, the banking system ought to display more dynamism in seeking bankable projects. At the same time, the improvement in the attractiveness of the capital market would induce larger companies to take greater advantage of alternative financing possibilities and would accordingly make the banks more interested in financing small and medium-sized enterprises. These conditions may be expected

to favour the reduction of the intermediation margin and thus of the cost of financing of the economy, especially that of its components consisting of small and medium-sized enterprises.

It should be emphasised that a new policy promoting this category of units was initiated with the promulgation of Law No. 53 00 of 23 July 2002 creating the charter for Small and Medium-sized Enterprises (SMEs). This law in particular defined the conditions of eligibility for this status and provided for the creation of a National Agency for the Promotion of Small and Medium-sized Enterprises (SMEs) as well as for the introduction of specific measures relating to financial matters, land ownership and administrative issues in favour of these enterprises.

MONETARY AGGREGATES

The monetary aggregates showed rises of 9% for M1 and 6.4% for M3, appreciably slower than those of 15.9% and 14.1% recorded at the end of the previous year. The development of the money supply in the broad sense, represented by aggregate M3, which amounted to 355.5 billion dirhams, was contributed to by all the components, albeit in different degrees. In fact, the rate of growth of the note and coin circulation slowed from 13.5% to 5.3%, that of sight deposits from 17.1% to 10.7% and that of savings accounts from 12.3% to 8.9%, time deposits actually having contracted by 1.1% in 2002 whereas they had increased by 10.5% in 2001.

At the same time, liquid investment aggregates (LI), totalling 39.7 billion dirhams, increased by 6.8 billion or 20.6%, a comparable rate to that in the year 2001.

The movement of the monetary aggregates resulted, at the level of the counterparts of M3, from a further expansion in net external assets, of 8.8 billion dirhams or 8.7%, and an increase in domestic lending of a monetary nature of 5.5%, attributable to the growth in lending to the private sector of 9.3 billion or 4.3% and in claims on Government of 2.4 billion or 3% ⁽¹⁾.

The following table records the movement of the various monetary aggregates:

In millions of dirhams	End of December 2000	End of December 2001		End of December 2002	
	Amounts	Amounts	Changes in %	Amounts	Changes in %
- Currency outside banks	58 169	66 025	+ 13.5	69 556	+ 5.3
- Sight deposits	123 094	144 087	+ 17.1	159 522	+10.7
Aggregate M1	181 263	210 112	+ 15.9	229 078	+ 9.0
- Sight investments (M2-M1)	35 240	39 581	+ 12.3	43 097	+ 8.9
Aggregate M2	216 503	249 693	+ 15.3	272 175	+ 9.0
- Time investments (M3-M2)	76 281	84 294	+ 10.5	83 337	- 1.1
Aggregate M3	292 784	333 987	+ 14.1	355 512	+ 6.4

Aggregate M1

Consisting of notes and coin in circulation and sight deposits, aggregate M1 fell sharply in January before turning upwards during the rest of the year, except in April, September and October, during which it declined. The largest

(1) See Statistical Appendices XII-1 to XII-15.

increases were recorded in June and December owing to the expansion in sight deposits with banks of 6.4% and 4.9% respectively. At the end of December 2002, aggregate M1 amounted to 229.1 billion dirhams and showed an increase of 19 billion or 9% against 15.9% at the end of the previous year. Its share in aggregate M3 increased by 1.5 percentage points to 64.4%.

In accordance with its seasonal pattern, the note and coin circulation contracted during the first four months of the year, except in February, which coincided with the celebration of the festival of Idul Adha. Demand for notes and coins rose after that, especially in July and August, in connection with the marketing of the cereal harvest, the holiday periods and the arrival of both tourists and of Moroccans living abroad. After its seasonal decline during the next three months, it increased again in December, which was marked in the year under review by the celebration of Idul Fitre. Amounting to 69.6 billion dirhams, the note and coin circulation showed, in 2002, a rise of 3.5 billion or 5.3%, slower than that of 13.5% observed the previous year. Its share in the money supply therefore declined slightly to 19.6%, against 19.8% at the end of December 2001.

Sight deposits, the movement of which was characterised by a high degree of volatility from month to month, amounted at the end of December 2002 to 159.5 billion dirhams, an increase on the year of 15.4 billion or 10.7%, compared to 17.1% at the end of the previous year. Deposits on cheque accounts with banks, amounting to 98.1 billion, showed a rise of 12.5 billion or 14.6%, including an increase of 4.1 billion or 12.5% in the credit balances of Moroccans living abroad. For their part, funds on current accounts with banks amounted to 39.9 billion and showed an increase of 2.8 billion or 7.4%. Sight deposits with the Treasury and the Postal Cheque Service, at 8.4 billion, were slightly up compared to the end of December 2001. The share of sight deposits in the money supply reached 44.9%, an expansion of 1.8 percentage points compared to the previous year.

Aggregate M2

Consisting of sight investments not transferable by cheques, M2 minus M1 rose continuously to reach, at the end of December 2002, 43.1 billion dirhams, showing an increase on the year of 3.5 billion or 8.9%, compared to 12.3% a year earlier. Deposits on accounts in savings books with banks, amounting to 35.8 billion, increased by 2.8 billion or 8.4%, compared to 13.7%. At 7.3 billion, deposits on savings books with the National Savings Fund increased by 736 million or 11.2% against 5.9% in 2001. These movements seem to indicate that the development of savings accounts, whose share in aggregate M3 rose from 11.9% in 2001 to 12.1% in 2002, was not excessively affected by the reduction in interest rates.

Aggregate M2, consisting of M1 and M2 minus M1, amounted to 272.2 billion dirhams, showing a rise of 22.5 billion or 9%, compared to 15.3% at the end of the previous year.

Aggregate M3

Consisting of time investments in the form of fixed-term accounts and bills and of certificates of deposit, the category M3 minus M2 declined almost continuously during the first seven months, before showing an upward movement during the rest of the year, except in November. This category amounted at the end of December 2002 to 83.3 billion dirhams, representing a contraction on the year of 957 million or 1.1%, whereas it had increased by 10.5% in 2001. This movement was contributed to by balances on fixed-term accounts and bills, amounting to 82.5 billion, which declined by 790 million or 0.9%, and by certificates of deposit held by non-financial enterprises and individuals, which decreased by 167 million or 17.1% . In a context of abundant liquidity, time investments appear to have suffered from the decline in the rates of remuneration, before benefiting from the inflow of part of the funds previously invested

in six-month Treasury bills. The share of time investments in the money supply shrank by 1.8 percentage points, from 25.2% to 23.4% from year-end to year-end.

All in all, aggregate M3, consisting of M2 and M3 minus M2, reached 355.5 billion dirhams, having risen by 21.5 billion or 6.4%, compared to 41.2 billion or 14.1% in 2001.

LIQUID INVESTMENT AGGREGATES

At 39.7 billion dirhams, the outstanding amount of the assets recorded in the liquid investment aggregates (LI) showed a rise of 6.8 billion or 20.6%, comparable to that in the previous year. This movement conceals a large expansion in aggregate LI2 and, conversely, a marked contraction in aggregates LI1 and LI3.

The following table shows the movement of the various liquid investment aggregates:

In millions of dirhams	End of December 2000	End of December 2001		End of December 2002	
	Amounts	Amounts	Changes in %	Amounts	Changes in %
Aggregate LI 1	11 420	13 906	+21.8	8 787	-36.8
Aggregate LI 2	12 722	17 111	+34.5	29 696	+73.5
Aggregate LI 3	3 214	1 936	-39.8	1 247	-35.6
Total LI	27 356	32 953	+20.5	39 730	+20.6

Aggregate LI1

After having risen by 21.8% in 2001, aggregate LI1, which comprises mainly negotiable debt instruments, other than certificates of deposit, subscribed for by non-financial enterprises and individuals, showed a contraction of 5.1 billion or 36.8%, bringing it down to 8.8 billion dirhams at the end of December 2002. This development is solely attributable to the fall, from year-end to year-end, of 6.9 billion or 73.4% in net subscriptions for six-month Treasury bills, the outstanding amount of which rose from 9.4 billion at the end of December 2001 to 13.9 billion at the end of June 2002, before falling to 2.5 billion at the end of December of that year, owing to the successive reductions of the rate of remuneration on these bills and the limitation of the possibility of subscribing for them to natural persons with effect from July 2002. On the other hand, acquisitions of negotiable Treasury bills increased by 1.6 billion or 38.6% and those of bills of financing companies by 147 million or 56.3%.

Aggregate LI2

Aggregate LI2, composed of bond UCITS amounting to 29.7 billion dirhams, showed an expansion of 12.6 billion or 73.5%, after that of 34.5% observed at the end of the previous year. This movement, most of which had taken place by the end of the first five months, was attributable to the increase in demand and the rise in prices brought about by the decline in interest rates.

Aggregate LI3

Aggregate LI3, which is made up of securities issued by share and diversified UCITS, amounting to 1.2 billion dirhams, declined for the fourth year in succession, this time by 689 million dirhams or 35.6%, owing to the poor performance of the Casablanca Stock Exchange.

THE LIQUIDITY OF THE ECONOMY

Consisting of the money supply in the broad sense and the total of the liquid investment aggregates, the liquidity made available to the economy averaged, in terms of end-of-month outstanding amounts, 383.8 billion dirhams, showing a rise of 11.7%, greater than that of 9.9% recorded in 2001. This movement conceals a slowing of the rate of increase of the monetary aggregates, from 11.7% the previous year to 9.5% for M3, and an expansion of the liquid investment aggregates of 31.7% in 2002 against a decline of 4.2% in 2001.

In millions of dirhams ⁽¹⁾	2000	2001		2002	
	Amounts	Amounts	Changes in %	Amounts	Changes in %
I- Aggregate M3.....	277 483	309 915	+11.7	339 361	+9.5
M1.....	171 690	193 359	+12.6	215 320	+11.4
M3-M1.....	105 793	116 556	+10.2	124 040	+ 6.4
II- Liquid investment aggregates	35 220	33 733	- 4.2	44 433	+31.7
Total liquidity (I + II)	312 703	343 649	+ 9.9	383 794	+11.7
(1) End-of- month outstanding amounts average.					

In 2002, the liquidity of the economy increased faster than the growth in both non-agricultural GDP at current prices, of 3.1%, and in overall GDP, of 3.8%, and gross national disposable income (GNDI) of 2.8%. The liquidity ratio of the economy, whichever indicator is adopted, thus rose over the year, as is shown by the following table :

Liquidity ratio of the economy (percentage)	2000	2001	2002
<u>M1</u> Non-agricultural GDP	56.4	59.8	64.5
<u>M3</u> Non-agricultural GDP	91.1	95.8	101.7
<u>M3</u> Gross National Disposable Income	74.8	74.7	79.6
<u>Total liquidity</u> Non-agricultural GDP	102.7	106.2	115.0
<u>Total liquidity</u> GDP	88.3	89.7	96.5
<u>Total liquidity</u> Gross National Disposable Income	84.3	82.8	90.0

Parallel with this, the velocity of circulation of money, which reflects the ratio between GDP at current prices and the money supply in the broad sense, slowed down, from 1.24 in 2001 to 1.17 in 2002.

COUNTERPARTS OF M3

Creation of money resulted in 2002 from a further increase in net foreign assets of 8.7% and a growth in domestic lending of a monetary nature of 5.5%, itself attributable to an increase in lending to the private sector of 4.3% and in claims on Government of 3%.

The following table shows the movement of the counterparts of M3:

In millions of dirhams	End of December 2000	End of December 2001		End of December 2002	
	Amounts	Amounts	Changes in %	Amounts	Changes in %
Net foreign assets (I).....	54 685	101 949	+86.4	110 780	+ 8.7
Total domestic lending					
A. Claims on Government.....	85 934	78 329	- 8.8	80 697	+ 3.0
B. Claims on the private sector	208 024	216 951	+ 4.3	226 221	+ 4.3
C. Counterparts of accounts on savings books with the National Savings Fund.....	6 208	6 576	+ 5.9	7 312	+12.2
Total (A + B + C).....	300 166	301 856	+ 0.6	314 230	+ 4.1
<i>Less :</i>					
<i>Banking system's non monetary resources.....</i>	<i>58 534</i>	<i>60 875</i>	<i>+ 4.0</i>	<i>60 011</i>	<i>- 1.4</i>
Domestic lending of a monetary nature (II).....	241 632	240 981	- 0.3	254 219	+ 5.5
Total counterparts (I+II).....	296 317	342 930	+15.7	364 999	+ 6.4
Other balancing items	- 3 533	-8 942	-	-9 487	-
Memo : Aggregate M3.....	292 784	333 987	+14.1	355 512	+ 6.4

Net foreign assets

After having fallen sharply owing to the payment in January of substantial amounts due on the foreign debt, net foreign assets showed a continuous upward trend during the rest of the year, except in October, when they declined slightly. At the end of December 2002, the foreign exchange reserves amounted to 110.8 billion dirhams, an increase of 8.8 billion or 8.7% following that of 47.3 billion or 86.4% recorded at the end of the previous year. This strengthening was mainly due to the results of the foreign accounts and especially to the continuation of a large flow of transfers from Moroccans living abroad.

The Bank Al-Maghrib's net foreign exchange reserves increased by 5.2 billion or 5.3%, while those of the banks expanded by 3.6 billion or 134.3%, reaching 104.5 billion and 6.3 billion dirhams respectively. The development of the banks' foreign assets was mainly due to the transfer, to the foreign correspondents, of practically the whole of the foreign currency deposits previously formed by the banks with the Bank Al-Maghrib, due to the liberalisation of the banks' foreign currency investments. The banks are henceforth allowed to make deposits with counterparties abroad and to acquire sovereign securities or ones issued by multilateral financial institutions.

Claims on Government

The delay in the implementation of the privatisation operations provided for in the 2002 Finance Act resulted in a larger than expected Treasury financing requirement. It was covered, as was the amount of net foreign settlements, thanks to the abundant liquidity which characterised the year 2002, via recourse to the tender market to the extent of 26.8 billion, raised mainly from non-bank financial institutions, especially UCITS. Monetary financing of the Treasury thus remained relatively limited.

In fact, after having fallen by 7.6 billion or 8.8% in 2001, claims on Government increased by no more than 2.4 billion or 3%, to reach 80.7 billion dirhams at the end of December 2002. This development conceals an increase of 3.8 billion or 5.1% in the Treasury's recourse to the banks and a decrease of 1.5 billion in its net position vis-à-vis the Bank Al-Maghrib. From year-end to year-end, the Treasury reduced its indebtedness to the central bank by 951 million, furthermore building up with it an additional credit balance of 516 million.

Claims on the private sector

The increase in lending remained small against a background of moderate economic growth, characterised by abundant liquidity and the fall in interest rates, which induced some large enterprises to resort to alternative financing on the capital market. Lending to the private sector amounted to 226.2 billion dirhams, showing an increase of 9.3 billion or 4.3%, comparable to that in 2001. Credit distributed by the banks rose by 7.8 billion or 3.8%, consisting of a further expansion in lending to the financing companies, of 3.7 billion or 30.8%, and in an increase in lending to enterprises and individuals of 3.2 billion or 1.6%. Real estate lending grew by 14.5%, while liquidity credits and equipment credits fell by 3.8% and 7.2% respectively.

Amounting to 314.2 billion dirhams, total domestic lending, consisting of claims on Government and lending to the private sector, showed a rise of 12.4 billion or 4.1% compared to 1.7 billion or 0.6% in 2001. Account being taken of a decrease of 864 million in non-monetary resources, domestic lending of a monetary nature finally increased by 13.2 billion or 5.5%, whereas it had declined slightly a year earlier.

PAYMENT INSTRUMENTS

Notes and coins continue to be widely used for the settlement of transactions. However, their share in the total of actual means of payments is declining steadily, having decreased from 31.4% in 2001 to 30.4% in 2002. Parallel with this, the share of cashless instruments is increasing, as is evidenced by the rise in both the number and the total amount of transactions settled by cheque, as recorded at the clearing houses. At the same time, this development has been accompanied by a decrease in the average rejection rate to no more than 2.5%.

Owing to the development of cashless payment instruments and the expansion in the resultant clearing operations, the Bank Al-Maghrib had established in 2001, in cooperation with the banking institutions, the Moroccan Interbank Remote Clearing System (SIMT). After having been tested since February of that year, this system became operational with effect from February 2003 for cheques exchanged in the Casablanca financial centre.

Furthermore, with a view to promoting bank cards as a means of payment, the “Interbank Money Centre” (CMI), approved as a financing company in April 2002, should start its activities during the second half of the year 2003.

NOTES AND COIN

At the end of December 2002, the total value of the notes and coin in circulation amounted to 73.2 billion dirhams, a rise of 3.6 billion or 5.1%, which was substantially smaller than the exceptionally large increase recorded at the end of the previous year. The year 2001 had in fact been marked by a sharp expansion in the monetary aggregates, due to a record flow of foreign currencies.

Data as at the end of December	Number in thousands			Value in millions of dirhams		
	Year 2000	Year 2001	Year 2002	Year 2000	Year 2001	Year 2002
Banknotes in circulation						
5 dirhams.....	4 243	4 218	4 179	21.2	21.1	20.9
10 dirhams.....	23 123	19 731	17 886	231.2	197.3	178.9
20 dirhams.....	48 063	50 423	49 202	961.3	1 008.5	984.0
50 dirhams.....	34 501	35 755	36 441	1 725.0	1 787.8	1 822.0
100 dirhams.....	279 543	303 142	311 808	27 954.3	30 314.2	31 180.8
200 dirhams.....	146 788	174 870	187 981	29 357.7	34 974.0	37 596.2
Total banknotes	536 261	588 139	607 497	60 250.7	68 302.9	71 782.8
Total coins	1 416 354	1 492 638	1 556 161	1 192.9	1 292.4	1 387.8

Representing around 98% of the note and coin circulation, the value of banknotes amounted to 71.8 billion dirhams. Out of this total, the share of 200-dirham notes rose from 51.2% to 52.4%, while that of 100-dirham notes declined from 44.4% the previous year to 43.4%. The share of the 50-dirham and 20-dirham denominations remains small, at 2.5% and 1.4% respectively. The value of the coins in circulation, 30.7% of which consisted of 10-dirham coins and 24.3% of 5-dirham coins, came to 1.4 billion dirhams.

Payments and withdrawals of notes and coins at the Bank Al-Maghrib's counters, made mainly by the banks and the public payment agencies, resulted in 2002 in net outflows of funds of around 3.6 billion dirhams, compared to 7.8 billion the previous year. The banks were responsible for this slowing, their payments having substantially exceeded withdrawals at the Bank Al-Maghrib's counters ⁽¹⁾.

In millions of dirhams	Year 2000	Year 2001	Year 2002
Outflows of funds.....	55 892	69 501	72 328
Inflows of funds	54 450	61 687	68 744
Net outflows of funds.....	1 442	7 814	3 584

In-payments at the Bank Al-Maghrib's counters in fact amounted to 68.7 billion dirhams, showing a rise of 11.4% due mainly to the increase in the banks' payments, which expanded by 7.3 billion or 13.2% to 62.5 billion dirhams, or 91% of the total. Payments by the public payment agencies, for their part, increased by 6.7%, from 4.8 billion the previous year to 5.1 billion in the year under review.

(1) See Statistical Appendix XIII-1.

Outflows of funds totalled 72.3 billion dirhams in 2002, showing an increase of 2.8 billion or 4.1%, against 24.3% the previous year. Withdrawals by the banks, at 48.6 billion, showed a slight rise of 1.9%, while those by the public payment agencies increased by 8.2% to 21.6 billion dirhams.

In order to improve the condition of the notes and coins in circulation, the Bank Al-Maghrib systematically sorts the notes and coins paid in at the counters. Thus, out of a total of 504.4 million notes received, 441.5 million or 88% were sorted in 2002. These operations led to the withdrawal of 216.6 million notes which no longer met the criteria required for being put back into circulation, i.e. one note in two.

In thousands of banknotes	Year 2000	Year 2001		Year 2002	
	Number	Number	Changes in %	Number	Changes in %
In-payments at the Bank Al-Maghrib's counters	464 788	511 685	+10.1	504 366	-1.4
Notes sorted	459 140	414 155	- 9.8	441 483	+6.6
Notes to be withdrawn	358 148	208 935	-41.7	216 635	+3.7

CASHLESS PAYMENTS

Clearing operations

The Bank Al-Maghrib organises the exchange of instruments among the members at the 20 clearing houses whose operations it supervises, and settles the resultant balances.

The number of cheques and bills exchanged in 2002 was over 23 million, representing a rise of 6.8%, whereas it had remained virtually unchanged in 2001. This development conceals an increase of 4.3% in the number of bills

processed and, above all, one of 7.2% in that of cheques. It was accompanied by a decline in the rejection rate from 23% to 20.1% for bills and from 3.2% to 2.5% for cheques. The downward trend of the proportion of rejected cheques bears witness to the greater confidence in the cheque and to the increase in its credibility as a payment instrument ⁽¹⁾.

Years	Number of operations (in thousands)			Amounts of operations (in millions of dirhams)			
	Bills	Cheques	Total	Bills	Cheques	Transfers	Total
2000	3 203	18 783	21 986	64 932	431 929	318 634	815 495
2001	3 320	18 660	21 980	69 330	438 878	363 438	871 646
2002	3 464	20 010	23 474	71 372	453 269	368 620	893 261

The total value of cheques, bills and transfers, of 893.3 billion dirhams, increased by 21.6 billion or 2.5%, against 6.9% in the year 2001. This slowing was mainly due to lower growth rates in the value of transfers and bills, of 14.1% and 6.8% respectively in 2001 to 1.4% and 2.9% in 2002. The rate of increase in the amount of cheques accelerated from 1.6% the previous year to 3.3%. The breakdown by instrument remained virtually unchanged compared to the previous year, the share having been 50.7% for cheques, 41.3% for transfers and 8% for bills.

Moroccan Interbank Remote Clearing System

After having been tested from February 2001 onwards for cheques, parallel with the physical exchange of these items, the Moroccan Interbank Remote

(1) See Statistical Appendix XIII-2.

Clearing System (SIMT), which was extended to all banks, became operational with effect from February 2003.

Being confined at present to cheques exchanged in the Casablanca financial centre, the remote clearing system will gradually be extended to bills and transfers and to the other towns in Morocco, with the object of reducing the time taken while at the same time improving the safety of security settlement operations.

Centralisation of payment incidents

To combat the issuing of cheques without adequate funds and improve confidence in this instrument, the Central Payment Incidents Service (SCIP), managed by the Bank Al-Maghrib, centralises declarations of payment incidents and updates a file on the natural persons and corporate bodies responsible for them. Institutions authorised to keep cheque accounts must consult the SCIP concerning applicants for the opening of an account before sending them cheque books.

In 2002, the SCIP received 291 287 declarations of non-payment of cheques owing to lack or inadequacy of funds. Continuing the trend observed during the last few years, these declarations showed a fall of 4.8% in 2002, while the rate of regularisation of payment instruments reached 25.3% compared to 22% the previous year.

Requests for information, especially before the issuing of cheque books to applicants wishing to open an account, totalled 703 252, representing a fall of 5.2%, following an increase of 24% in 2001.

Bank cards

The number of bank cards issued reached 1.5 million units at the end of 2002, an increase on the year of 15.3%, while the number of ATMs rose by 21% to 1 162 units. Cash withdrawals by means of cards amounted to nearly 37.8 million and showed an expansion of 22.6%, following that of 50.9% observed in 2001. They totalled 24.6 billion dirhams, compared to 18.7 billion at the end of the previous year. Payments made using cards numbered 2.4 million for a total value of 1.4 billion dirhams, compared to 2.3 million transactions and 1.3 billion dirhams in 2001.

In order to promote bank cards as a means of payment, the Professional Bank Group of Morocco (GPBM) established the Interbank Money Centre (CMI). This will permit, through the interconnection of the four existing bank card networks, the centralisation, processing and securitisation of money transactions.

CREDIT

In a context of slowing economic growth characterised by abundant liquidity and falling interest rates, which led some large enterprises to resort to the capital markets, as well as by the rise in risks reflected by the increase in pending claims, lending by the credit institutions showed a small increase of 5.4 billion or 2.4%, amounting at the end of December 2002 to 233.3 billion dirhams (*), or nearly 59% of GDP.

Bank lending to enterprises and individuals, which represents 85.3% of the total, increased by nearly 2%, while lending by the financing companies grew by 9.3%.

CREDIT DISTRIBUTED BY THE BANKS ()**

The outstanding amount of bank lending was 214.3 billion dirhams, representing a rise of 7.3 billion or 3.5%, slightly below the rate of 4.2% observed in 2001.

(*) Not including loans granted by the banks to the financing companies.

(**) This distribution, arrived at during the last few years on the basis of the banks' balance sheets, will be replaced, with effect from 2003, by a new series compiled in accordance with the rules of the accounting plan which came into force in the year 2000.

Distribution of bank credit according to purpose

In millions of dirhams	December 2002	In % of total
Debtor accounts and overdraft facilities	72 403	33.8
Equipment credit.....	42 116	19.7
Real estate loans	35 155	16.4
Consumer credit	20 910	9.8
Miscellaneous claims	5 679	2.6
Pending claims	38 021	17.7
Total lending by the banks ⁽¹⁾.....	214 284	100.0
(1) Including the total of loans granted by the banks to the financial companies.		

At the end of December 2002, the outstanding amount of debtor accounts and overdraft facilities, at 72.4 billion dirhams, represented 33.8% of total bank lending, while that of equipment credit was 42.1 billion, or nearly a fifth of the total. Real estate and consumer credit reached 35.2 billion and 20.9 billion dirhams respectively, and constituted 16.4% and 9.8% of bank lending.

Pending claims reached 38 billion dirhams, representing 17.7% of bank lending. Excluding the specialised banks, this rate is 11.6%.

Distribution of bank credit by term

In millions of dirhams	December 2002	In % of total
Short-term credits	92 522	43.2
Medium and long term credits	83 741	39.1
Medium-term credits	48 159	22.5
Long-term credits	35 582	16.6
Pending claims	38 021	17.7
Total lending by the banks	214 284	100.0

At the end of December 2002, the outstanding amount of short-term lending, at 92.5 billion dirhams, represented 43.2% of bank credit. The share of medium-term and long-term lending reached 48.2 billion dirhams and 35.6 billion respectively, corresponding to 22.5% and 16.6% of the total.

Distribution of bank credit by sector of activity

In millions of dirhams	December 2002	In % of total
Primary sector	18 576	8.7
Agriculture, hunting and forestry	15 923	7.4
Fisheries, aquaculture.....	2 653	1.2
Secondary sector	52 527	24.5
Extractive industries	2 589	1.2
Energy and water	3 068	1.4
Manufacturing	34 769	16.2
Building and public works	12 101	5.6
Tertiary sector	143 181	66.8
Hotels	9 704	4.5
Transport and communications	6 649	3.1
Trade	71 110	33.2
Financial activities	19 344	9.0
Other services	36 374	17.0
Total lending by the banks	214 284	100.0

The outstanding amount of lending to the primary sector was 18.6 billion dirhams, or 8.7% of the total facilities granted by the banking system. Lending to the secondary sector, amounting to 52.5 billion dirhams, including nearly 35 billion allocated to manufacturing industries, represented 24.5% of the total. Lastly, lending to the tertiary sector, which constitutes over two thirds of the total, amounted to 143.2 billion, nearly half of which benefited commercial activities.

CREDIT DISTRIBUTED BY THE FINANCING COMPANIES

In millions of dirhams	Dec. 2000	Dec. 2001	Dec. 2002	Changes Dec. 02/Dec. 01	
				Amounts	In %
Consumer credit companies	17 934	18 727	20 202	+1 475	+ 7.9
Leasing companies	9 209	10 916	12 393	+1 477	+13.5
Real estate loan companies	1 152	1 209	1 241	+32	+2.6
Factoring companies	625	528	602	+74	+14.0
Security companies	456	511	413	-98	-19.2
Total lending by the financing companies	29 376	31 891	34 851	+2 960	+9.3

The outstanding amount of the facilities granted by consumer credit companies, totalling 20.2 billion dirhams and representing 58% of lending by financing companies, rose by 1.5 billion or 7.9%, compared to 4.4% in 2001. Personal loans for unspecified purposes constituted 58.4% of these companies' credit portfolio, while those for the purchase of vehicles represented nearly 13%.

Lending by leasing companies amounted to 12.4 billion dirhams, or 35.6% of credit provided by financing companies, showing a rise of 1.5 billion or 13.5%. In terms of the purpose of the financing, 60.2% was for the acquisition of capital goods, 26.8% for the purchase of private cars and nearly 7% for buying real estate.

Lending by real estate credit companies, for its part, reached 1.2 billion dirhams and showed an increase of 2.6%, after that of 4.9% observed in 2001.

At 602 million dirhams, lending by factoring companies rose by 74 million or 14%, whereas it had fallen by 15.5% in 2001.

Facilities provided by security companies decreased by 31%, to 2.2 billion, credits by signature, which represent 81.6% of the total, having fallen by 40.6% and disbursement credits by 19.2%.

**DISTRIBUTION OF LENDING BY
CREDIT INSTITUTIONS ACCORDING
TO ECONOMIC AGENT**

In millions of dirhams	December 2002	In % of total
Companies.....	136 868	58.7
Individual entrepreneurs.....	22 036	9.4
Individuals	66 526	28.5
Local authorities and public administrations	7 825	3.4
Total lending by the credit institutions	233 255	100.0

Amounting at the end of December 2002 to 136.9 billion dirhams, facilities allocated to companies represented 58.7% of lending by credit institutions. For its part, lending to individuals reached 66.5 billion dirhams, or 28.5% of the total, while that allocated to individual entrepreneurs totalled 22 billion. Lastly, lending to local authorities totalled 7.8 billion dirhams.

CREDIT INSTITUTIONS

In order to strengthen the financial position of credit institutions, the monetary authorities adhered in 2002 to their line of action of adapting the prudential regulations to international standards. Thus, in July 2002, the rules for the calculation of the minimum liquidity ratio were readjusted and its rate was raised from 60% to 100%, while stricter rules for classification of and provision for pending claims came into force at the beginning of 2003. Furthermore, the task of the external auditors, as well as the conditions for their appointment and their removal were more precisely specified. Moreover, the factors for calculating the overall effective rate were revised by the exclusion of certain costs connected with the management of files.

The liberalisation of banking activity was continued by the permission given to banks to carry out foreign currency investment operations abroad with effect from May 2002 and to allow the granting, with effect from December of the same year, to non-resident foreigners of credits in dirhams, repayable by contributions in foreign currencies, for the acquisition or building of real estate in Morocco.

At the end of December 2002, the sector comprising credit institutions consisted of 18 banks ⁽¹⁾, down from 19, owing to a merger/takeover operation ⁽²⁾, and of 48 financing companies compared to 50 in 2001. The fall in the number of the latter is due to the withdrawal of approval from a consumer credit company and to the liquidation, on the initiative of the shareholders, of another company engaging in the same activity. The banking network

(1) Including the Crédit Populaire, whose network consists of the Banque Centrale Populaire and 16 regional banks.

(2) The Banque Centrale Populaire and the Société Marocaine de Dépôt et de Crédit.

was enlarged by the opening of 64 new permanent offices, increasing their number to 1 878 at the end of 2002, or one per nearly 16 000 inhabitants.

The activity of credit institutions, as assessed by the amount of their assets and liabilities, showed a rise of 5%, smaller than that of 9.2% recorded a year earlier. This development conceals an increase in the activity of banks of 4.7% and in that of financing companies of 8.5%.

As for the six offshore banks, situated in Tangiers, five were operating at the end of December 2002, compared to four in 2001. Their balance sheet total amounted to 389.1 million dollars, showing an expansion of 84%, this having been due to the transformation of a branch into an offshore bank, the total of whose assets represents over 40% of the overall balance sheet of the institutions in that centre.

ACTIVITY OF THE BANKS

The structure of the banking system continued to be characterised by a high degree of concentration, which became even more marked in 2002. In fact, out of a total of the cumulative balance sheet of the eighteen banks, of nearly 362 billion dirhams, the share of the three largest rose from 48.4% to 50.9%, while those of the six medium-sized institutions and of the nine other banks decreased respectively from 43.5% to 42.8% and from 8.1% to 6.3%.

Amounts in billions of dirhams	Number of banks		Cumulative balance sheet			
			In billions of dirhams		In %	
	2001	2002	2001	2002	2001	2002
40 and above	3	3	167.1	184.2	48.4	50.9
From 20 to less than 40	5	5	133.6	136.6	38.7	37.8
From 10 to less than 20	1	1	16.6	18.2	4.8	5.0
Less than 10	10	9	28.2	22.8	8.1	6.3
Total	19	18	345.5	361.8	100.0	100.0

The banks' assets

The banks' assets reached 367.5 billion dirhams ⁽¹⁾ at the end of December 2002, having risen by 16.4 billion or 4.7%. This increase is mainly due to the growth in lending to the private sector and in assets with foreign correspondents and, to a lesser extent, to the increase in their portfolio of Treasury bills ⁽²⁾.

Lending to the private sector reached 214.3 billion dirhams and represented 58.3% of the banks' assets. They increased by 7.3 billion or 3.5%, a slightly lower rate than that of 4% recorded at the end of the previous year. This slowing was attributable, on the one hand, to the slackening of economic growth and to a stricter assessment of risks owing to the tightening up of the prudential rules and, on the other hand, to the increase in the recourse of large enterprises to the capital market. This development was accompanied by an increase in pending claims, from 35.7 billion dirhams to 38 billion, or 17.7% of the banks' credit portfolio. Excluding the specialised banks, this rate is 11.6%.

The banks' portfolio of Treasury bills amounted, at the end of December 2002, to 75.2 billion dirhams, representing a rise of 2.9 billion or 4%, appreciably smaller than the previous year's increase, the Treasury having covered its financing requirement by recourse to the tender market, especially with non-bank institutions. Thus, the banks' net subscriptions for Treasury bills issued by tender rose by only 1.1 billion to 56.7 billion, whereas they had increased by 13.2 billion in 2001. For their part, acquisitions to meet the coefficient for compulsory investment in one-year Treasury bills for the financing of socio-economic programmes rose from 1.2 billion to 1.6 billion.

(1) Miscellaneous assets and liabilities have been offset against each other.

(2) See Statistical Appendix XIV-1.

Other portfolio securities totalled 24.6 billion dirhams, having increased by nearly 8% compared to 19% in 2001. Shareholdings, recorded at 13.4 billion dirhams, increased by 11.6%, while trading and investment securities, amounting to 11.2 billion, showed a rise of 3.6%. This movement conceals, in particular, an increase in securities issued by non-bank enterprises of 904 million and a contraction in the bills of financing companies held by the banks of 348 million dirhams.

The banks' assets with foreign correspondents amounted at the end of December 2002 to 8.5 billion dirhams, showing an increase of 2.7 billion or 47%. This development was due to the reorientation, to foreign correspondents, of the foreign currency deposits previously built up with the Bank Al-Maghrib, this having been attributable to the liberalisation, in May, of the banks' foreign currency investments abroad, within the limits of the exchange positions.

Lastly, cash holdings and liquid assets, which amounted to 29.8 billion dirhams, including 22.8 billion in respect of the monetary reserve, remunerated at the rate of 0.5% with effect from December 2002, showed a rise of 2.4% or 707 million. This movement conceals an increase of 2.8 billion in deposits in dirhams with the Bank Al-Maghrib and one of 901 million in those formed with the Treasury and the Postal Cheque Service and a fall, of 3.1 billion dirhams or 96%, in foreign currency deposits with the Bank Al-Maghrib. The funds built up in respect of the monetary reserve increased by 6.3 billion dirhams, owing to the raising of this ratio by 4 percentage points. Consequently, the Bank Al-Maghrib discontinued its liquidity-withdrawal operations, which had totalled 4 billion dirhams at the end of the previous year.

The banks' liabilities

Customers' deposits increased by 15.2 billion or 6%, compared to 14% in 2001, to reach 269.8 billion dirhams, or 73.4% of the banks' total liabilities. This development was accompanied, in a context characterised by the easy

state of bank cash holdings and the fall in interest rates, by a strengthening of sight accounts and a contraction in time investments, non-interest-bearing sight accounts, which constitute nearly 55% of total deposits, having increased by 14.7 billion or 11% while interest-bearing deposits showed a rise of only 555 million. This conceals an increase in savings accounts of 2.8 billion or 8.4% and a fall in time deposits and certificates of deposit issued, of 790 million and 1.4 billion respectively.

The banks' outstanding amount of medium-term and long-term borrowing fell by 2.3 billion or 10.6%, to 19.9 billion dirhams at the end of December 2002. This fall is mainly due to the decrease in bond loans of nearly 2 billion and, to a lesser extent, to that of 376 million in foreign loans.

The banks' capital and reserves, excluding the year's results, amounting to 32.7 billion dirhams, or 8.9% of total liabilities, did not change significantly compared to the previous year, having resulted from a limited loss of capital recorded by the National Agricultural Credit Fund owing to the abandonment of claims in connection with the operation for dealing with the over-indebtedness of farmers.

Provisions, at 24.5 billion dirhams, showed an increase of 2.4 billion or 11% in 2002, mainly owing to the increase in pending claims, which were covered to the extent of 73% for the commercial banks and 41.7% for the specialised banks.

The banks' liabilities to their foreign correspondents decreased by 1 billion dirhams, to 2.2 billion, while the foreign currency deposits of non-residents fell by 114 million dirhams to 527 million.

Lastly, owing to the continuing easy state of bank cash holdings, the banks' recourse to the Bank Al-Maghrib remained insignificant.

ACTIVITY OF THE FINANCING COMPANIES

The total of the cumulative balance sheets of the financing companies amounted, at the end of December 2002, to 36.9 billion dirhams, a rise of 8.5%. This is mainly due to the consumer credit companies and the leasing companies, whose balance sheets increased by 6.3% and 15.4% respectively⁽¹⁾.

Consumer credit companies

The balance sheet total of the 26 consumer credit companies amounted to 21.1 billion dirhams, showing a rise of 1.3 billion or 6.3%, a greater increase than that of 4.2% recorded the previous year. In fact, credits, which constitute more than 94% of their assets, increased by 1.2 billion to nearly 20 billion. Representing about 19% of this amount, pending claims increased by 13.6% to 3.9 billion. The corresponding provisions rose from 2.3 billion to 2.9 billion, covering this category of claims to the extent of 74.4%, compared to 69.3% in 2001.

Leasing companies

The activity of the nine leasing companies increased considerably in 2002, their balance sheet total having risen by 15.4% to nearly 13 billion dirhams, owing to a rise of 1.6 billion or 14.5% in credits, the outstanding amount of

(1) See Statistical Appendices XIV-2 and XIV-3.

which was 12.5 billion. Pending claims increased by 6.3% to 1.3 billion. They were covered to the extent of 82.5% by provisions, which were stepped up by 28% to one billion.

Other financing companies

The outstanding amount of disbursement loans granted by the other financing companies was 2.3 billion dirhams, showing a rise of 53 million or 2.4%. The facilities provided by factoring companies increased by 26%, to 602 million dirhams, while lending by real estate credit companies increased by 2.6% to 1.2 billion dirhams. On the other hand, credits by signature provided by security companies fell by 40.6% compared to 2001.

PRUDENTIAL RATIOS

Except for the former specialised financial institutions, the banks as a whole continued to comply with the prudential regulations in force, their solvency ratio having averaged 12.2% at the end of December 2002, i.e. a level above the regulation ratio of 8% which they are required to maintain between, on the one hand, their total capital and reserves and, on the other, their assets and signature commitments, weighted according to their degree of risk. Similarly, the liquidity ratio, raised from 60% to 100% in July, averaged 122.6% at the end of 2002.

The net exchange position ⁽¹⁾, defined as the difference between assets and liabilities in the same currency, must not exceed 10% of net capital and reserves. Calculated by currency, the exchange positions remained well below the permitted maximum, having averaged 0.4% for the dollar and 1.1% for the euro for long exchange positions and 1% for short positions in the same currencies. The overall net exchange positions, corresponding to the sum of the long or short positions, which must not exceed 20% for each of them in relation to net capital and reserves, declined on average from 5.3% to 1.9% for long positions and increased from 0.8% to 2.2% for short positions.

(1) An exchange position is said to be long when assets exceed liabilities and short in the opposite case.

THE CAPITAL MARKET

The expansion of the volume of capital mobilised on the various compartments of the market for debt securities was the outstanding feature of the year 2002, characterised by the abundance of liquidity and the decline in interest rates. Stock market activity, for its part, continued to move downwards for the fourth year in succession.

In order to promote stock market investment, tax incentives were introduced within the framework of the 2002 Finance Act, for a period of four years. A 50% allowance on the capital gains taxed was thus introduced in favour of institutional investors, while total exemption from that tax was decided upon for natural persons. At the same time, the modernisation of the financial market continued with the introduction, in March, of a system guaranteeing the successful outcome of stock market transactions. This gives the parties involved the assurance of the unwinding of transactions carried out on the central market within a standard period of $d + 3$, by providing for procedures for remedying shortages of securities or cash. To this end, stock market companies are required to form guarantee deposits for covering possible losses due to the liquidation of the positions of the defaulting member.

Lastly, in order to improve saver protection, the Transferable Securities Ethics Board defined the relationship between intermediation and conservation between, on the one hand, the stock market companies and the banks and, on the other hand, their customers, based on conventions setting out the rights and obligations of each party.

The interbank market

The volume of transactions on the interbank market declined, on average of the end-of-month outstanding amounts, from 3 billion dirhams in 2001 to less than 2 billion in 2002. This contraction was due to the easy state of bank liquidity and also to the growing recourse of operators to temporary transactions on the secondary market for Treasury bills. Under these conditions, the downward trend of interest rates became more marked, the weighted average rate applied in this compartment having fallen by 145 basis points, from 4.44% the previous year to 2.99%⁽¹⁾.

The market for Treasury bills

Thanks to the abundance of the supply of liquidity, the Treasury was able to increase its recourse to the tender market to cover a substantial financing requirement, though at declining interest rates. At the same time, there was a large expansion in transactions on the secondary market.

The volume of tenders reached 283 billion dirhams, a rise of 61.7%. Out of this overall amount, the Treasury kept 75.9 billion or 26.8%, compared to 57.4 billion the previous year. The banks' subscriptions amounted to 61.2 billion, against 42.2 billion in 2001, and those of the Deposit and Management Fund rose from 10 billion to 11.2 billion, while the volume subscribed for by insurance companies remained stable at 1.6 billion and that of UCITS fell from 3.6 billion dirhams to 1.9 billion.

Issues of Treasury bills

(1) See Statistical Appendix XV-1.

Issues of short-term bills amounted to 20.4 billion dirhams, showing a contraction of 34.6%. This development reflects the Treasury's intention to lengthen the average maturity of its loans in an economic situation characterised by falling interest rates. The rates paid on short-term issues in fact dropped sharply, having averaged between 2.64% and 3.76%, against a range of 4.65% to 5.26% in 2001. As repayments totalled 28.5 billion, the outstanding amount of short-term bills fell by around 31% to reach 18 billion at the end of the year compared to 26 billion a year earlier.

On the other hand, the amount of medium-term and long-term bills issued by tender more than doubled, reaching 55.5 billion. This development is due to the marked increase in the volume issued under the 2-year and 5-year lines, which totalled 41.2 billion dirhams against 23 billion in 2001. The rate of remuneration of the 2-year bills fell by 115 basis points to an average of 4.73%, whereas those applied to 5-year and 10-year bills were 5.65% and 6.19%, having declined by 57 and 54 basis points respectively. Account being taken of repayments amounting to 20.6 billion dirhams, the outstanding amount of medium-term and long-term bills stood, at the end of December 2002, at 151.9 billion dirhams, representing a rise of nearly 30%⁽¹⁾.

The secondary market
for Treasury bills

The expansion in activity on the secondary market continued in 2002, transactions having reached a monthly average of 206 billion dirhams for a total of 2 474 billion compared to 1 888 billion in 2001.

However, this rise remained closely linked to the development of temporary operations mainly initiated by the banks, the Deposit and Management Fund and the UCITS. The structure of transactions by residual period reveals the predominance of maturities ranging from over 3 years to 5 years, the share of

(1) See Statistical Appendices XV-2 to XV-4.

which was 51.7%. In fact, in a context of declining interest rates, the extent of which was inversely proportional to the maturity, average maturities appear to have benefited from the widening of the differentials in remuneration rates compared to short-term bills.

Other negotiable debt securities

Issues of negotiable debt securities other than Treasury bills reached 4 billion dirhams, against 3.6 billion the previous year. This movement conceals a contraction of over a half in issues of certificates of deposit, amounting to 668 million, stability of those of the bills of financing companies, at the level of 2 billion, and a large increase in issues of commercial paper, from 25 million dirhams to 1.3 billion, including 1 billion in respect of an issue by the National Electricity Office. The large increase in these issues is attributable in particular to the fall in the interest rates paid on Treasury bills, which serve as the reference for determining the remuneration offered on the market for negotiable securities.

The rates for the most frequent durations, that of 5 years for certificates of deposit and 3 years for the bills of financing companies, ranged respectively between 6% and 6.50% and between 5.50% and 7%, compared to ranges of 6% to 8% and 6.75% to 7.50% in 2001. For commercial paper, for which the differentiation of the rates of remuneration is more marked depending on the quality of the signatures, interest rates for the 3-month maturity were between 3.60% and 6%.

From year-end to year-end, the overall outstanding amount of other negotiable debt securities increased by 6% to reach 11.5 billion dirhams, including 7 billion of bills of financing companies, 3.4 billion of certificates of deposit and 1.1 billion of commercial paper⁽¹⁾.

(1) See Statistical Appendix XV-5.

Bond issues

At the end of the year 2002, bond issues totalled 3.8 billion dirhams compared to 1.9 billion a year earlier. The largest operations were undertaken by the National Railway Office, which issued a government-guaranteed loan of 1.7 billion dirhams, for a duration of 15 years comprising a tranche at the rate of 6.95% and the remainder at a variable rate, and by Omnium Nord Africain, which issued 5-year bonds bearing interest at 6.35%, totalling 1.2 billion. Furthermore, Wafasalaf made two issues, to the total value of 500 million dirhams for maturities of 2 and 3 years, at rates ranging between 4.50% and 5.50%.

The stock exchange

The decline in prices speeded up in 2002, the MASI and MADEX ⁽¹⁾ indices having lost 16.48% and 24.39% respectively of their value. The downward trend continued during the greater part of the year, except for a recovery in August and, above all, during the last two months, when the MASI index recorded a rise of around 3%.

Stock exchange capitalisation, at 87.2 billion dirhams, showed a contraction of 16.7%, mainly due to the fall in prices. Furthermore, the overall amount of capital increases fell sharply, reaching only 283 million dirhams against 571 million in 2001, while a cement works bought back its shares to the value of 583 million before carrying out a capital reduction by cancelling the repurchased shares.

(1) See Statistical Appendix XV-6.

The volume of transactions decreased by 16% to 22.5 billion dirhams. This development conceals a fall of 48.5% in trading on the central market, the amount of which dropped to 8.5 billion. Against this, transactions on the block market increased by 46.2% and represented 57% of total turnover, in connection with the increase in revaluation operations, which reached 8.8 billion dirhams for the month of December alone.

Listed companies distributed dividends amounting to 4.4 billion dirhams, an increase of 8.2%. Account being taken of the allocation of bonus shares, which totalled 72.5 million dirhams compared to 103 million the previous year, the general yield rate amounted to 5.14%, a rise of 30.8% compared to the previous year. For its part, the partial yield rate rose from 4.05% to 5.26%, having gone up by 29.9%.

FINANCIAL SAVING

The flows of financial investment by non-financial enterprises and individuals as revealed by the changes in the outstanding amounts at the end of the year declined considerably in 2002, having amounted to 54.7 billion dirhams, after the exceptional level of 64.9 billion reached the previous year ⁽¹⁾. However, the volume of the flows thus recorded, against an economic background characterised by the persistence of excess liquidity and a modest recovery in investment, still exceeds the average of the last few years. The year-on-year decrease conceals a restructuring of the portfolio of financial assets, which was reflected in a pronounced increase in bond UCITS, whereas total liquid assets and sight and time investments fell. Thus, the increase in balances on savings books slowed down slightly and time deposits resulted in a negative net flow. Similarly, net subscriptions by non-financial agents for government securities showed a marked overall contraction, chiefly due to the decline in the outstanding amount of six-month Treasury bills issued to the public.

Long-term saving, for its part, strengthened substantially. The increase in subscriptions for company shares again bore witness to the desire of enterprises to bolster their capital and reserves. Furthermore, the technical provisions formed by insurance companies and provident institutions increased markedly, reflecting the phase of restructuring of that sector.

The following table shows the movement of investments by individuals and non-financial enterprises during the last three years.

(1) See Statistical Appendices XVI-1 to XVI-3.

In millions of dirhams	Outstanding amounts at the end of the year			Net flows	
	2000	2001	2002	2001	2002
Liquid assets	182 843	211 259	231 190	28 416	20 031
Short-term investment	114 746	133 407	128 589	17 661	- 3 818
Medium-term investment	7 612	4 991	6 540	-2 621	1 549
Securities of UCITS.....	15 936	19 049	30 943	3 113	11 894
Institutional saving	90 305	96 414	105 523	6 109	9 109
Sub-total	411 442	464 120	502 885	52 678	38 765
Company shares				12 783	15 495
of which : . Newly issued securities				12 783	15 495
. Shares of privatised companies				-	-
Total				65 461	54 260
Adjustment.....				-563	434
Total net				64 898	54 694

Liquid assets

Liquid assets showed a rise of 9.5% in 2002, representing a net flow of 20 billion dirhams, lower than the previous year's figure. However, their share in the total volume of flows remained large, at 36.6%. The increase in holdings of notes and coins was only slightly over 3.5 billion, against 7.9 billion the previous year, while that of sight deposits fell from 20.6 billion dirhams the previous year to 16.5 billion.

Sight and time investments

This category of investments declined by 2.3 billion, after having shown a marked rise of 15 billion a year earlier. The fall thus observed is attributable to

the decline in subscriptions for six-month Treasury bills issued to the public and to that in time deposits, while savings book accounts showed a positive flow.

Balances on savings book accounts in fact increased by 3.5 billion, compared to 4.3 billion in 2001. This flow was due to a rise of 2.8 billion in deposits formed with the banking system and one of 736 million in those administered by the National Savings Fund, in spite of the fall in their rates of remuneration. The interest rate on savings book accounts with banks, which was 4.72% during the second half of 2001, thus amounted to 3.95% for the first six months of the year under review, declining thereafter to 3.42% from July onwards. At the same time, the rate on deposits with the National Savings Fund declined from 3.75% during the second half of 2001 to 3.70% in January 2002, and then to 3.50% in July 2002.

In a context of ample bank cash holdings and declining interest rates, holdings on time and fixed-maturity accounts fell by 1 billion dirhams after having grown by 8.2 billion the previous year. After having declined during the first two quarters of the year, these deposits only recovered from August onwards. Having stood at 4.69% at the end of 2001, the weighted average rate paid on these investments declined to 3.88% in December 2002.

Net subscriptions for Treasury bills, for their part, showed a negative flow, mainly due to the movement of the outstanding amount of six-month Treasury bills issued to the public, which showed a large fall of 6.9 billion in the year under review after having risen by 5.4 billion in 2001. This movement is attributable to the fall in the interest rate from 6.10% to 3.30% from year-end to year-end, and above all to the decision to confine the acquisition of this category of securities to natural persons from July 2002 onwards. Net investments by non-financial operators on the tender market rose by 2.6 billion dirhams.

Securities of UCITS

The outstanding amount of securities of UCITS held by non-financial enterprises and individuals increased sharply by 11.9 billion in the year under review after having risen by 3.1 billion in 2001. This development is attributable solely to bond UCITS, which soared by 12.6 billion dirhams. The fall in yields on sight and time investments and the resultant rise in bond prices in fact greatly encouraged non-financial agents to turn, for the investment of their savings, to bond UCITS, the performance index for which improved by 6.5% in the year under review, after 7.2% the previous year.

On the other hand, the continuation of the downward trend of stock market prices was reflected in a further loss of interest in the securities of share and diversified UCITS, purchases of which fell by 691 million after having dropped by 1.3 billion in 2001. This orientation was reflected in the performance indices for these securities, which showed, from year-end to year-end, a depreciation of 11.5% for share UCITS and a small rise, of 0.3%, for diversified UCITS.

Under these circumstances, the share of securities held by non-financial enterprises and individuals in the overall net assets of UCITS, which amounted in 2002 to 60.1 billion dirhams, increased from 48.1% to over 50%, thanks to the growth in the share held by non-financial agents in bond UCITS, which rose from 50.4% the previous year to 52.6%. Their holdings of securities in other types of UCITS, on the other hand, fell from 33.9% to 20.7%.

Institutional saving

At the end of December 2002, the funds managed by provident institutions and insurance companies reached an estimated total of 105.5 billion dirhams, representing an increase of 9.1 billion against 6.1 billion the previous year.

Out of this total, the outstanding amount of the technical reserves formed by pension and provident institutions amounted to 53.1 billion dirhams, an increase of 4.1 billion compared to the 1.9 billion reached in 2001. The provisions formed by institutions managed by the Deposit and Management Fund ⁽¹⁾ amounted to 23.6 billion dirhams in the year under review, showing a net flow of 2.3 billion, slightly greater than the previous year's figure. The year 2002 was in fact marked by the starting of the process of rehabilitation of the pension funds of certain public institutions in connection with their transfer to the Collective Pension Allocation Scheme (RCAR); the first operation applied to the National Railway Office and was financed by a government-guaranteed loan of 4.7 billion dirhams issued in three tranches, comprising 1.7 billion during the year 2002 and the remainder in 2003 and 2004. The resources of the National Social Security Fund, the upgrading programme for which, started in 2001, continued in the year under review, reached an amount of 14.7 billion dirhams, representing an increase of 657 million, after experiencing a negative flow the previous year.

Insurance companies, for their part, formed technical provisions estimated at 52.4 billion dirhams at the end of December 2002, showing an increase of about 5 billion, against 4.2 billion a year earlier. This development is attributable to the performance of the life and capitalisation branch. Furthermore, the restructuring measures for this sector were stepped up by the revision of the provision rules in March 2002 and the promulgation of the new insurance code in November.

(1) The National Pension and Insurance Fund (CNRA) and the Collective Pension Allocation Scheme (RCAR).

Company shares

The net amount of newly issued company shares reached 15.5 billion dirhams, an increase on the year of 21.2% compared with the slight decline observed the previous year. This development was mainly due to the slowing of the movement of transformation of public limited companies into limited liability companies. Consequently, capital reductions showed a substantial overall contraction, falling from 8.5 billion the previous year to 3.5 billion, which more than offset the decrease in the volume of gross capital contributions, from 21.3 billion dirhams to 19 billion.

In millions of dirhams	1999	2000	2001	2002
Gross increase in capital.....	14 946	17 600	21 282	18 978
- Capital increases.....	11 263	12 390	10 801	15 615
- Public limited companies.....	10 459	11 197	7 920	11 874
<i>Cash contributions</i>	<i>3 841</i>	<i>309</i>	<i>4 124</i>	<i>7 267</i>
<i>Incorporation of reserves.....</i>	<i>2 054</i>	<i>9 480</i>	<i>2 595</i>	<i>2 027</i>
<i>Contributions in kind.....</i>	<i>4 564</i>	<i>1 408</i>	<i>1 201</i>	<i>2 580</i>
- Limited liability companies...	804	1 193	2 881	3 741
- Formation of companies	3 683	5 210	10 481	3 363
- Public limited companies.....	861	415	3 480	614
- Limited liability companies...	2 822	4 795	7 001	2 749
Capital reductions	-3 552	-4 625	-8 499	-3 483
- Public limited companies.	3 329	4 433	8 074	3 116
<i>Reduction.</i>	<i>562</i>	<i>531</i>	<i>531</i>	<i>1 641</i>
<i>Winding up and mergers.....</i>	<i>857</i>	<i>877</i>	<i>2 274</i>	<i>714</i>
<i>Transformation.</i>	<i>1 910</i>	<i>3 025</i>	<i>5 269</i>	<i>761</i>
- Limited liability companies...	223	192	425	367
Net increase in capital	11 394	12 975	12 783	15 495
Shares of privatised companies	7	18	-	-

Capital increases amounted to 15.6 billion dirhams and were made by 2 075 companies. Out of this total, the sum relating to public limited companies, numbering 414, amounted to 11.9 billion, including 7.3 billion in cash, 2 billion by incorporation of reserves and 2.6 billion of contributions in kind. The sectoral distribution was again characterised in the year under review by the predominance of industrial and financial enterprises, which benefited from nearly three quarters of the total of contributions. Insurance companies alone raised 4.9 billion dirhams. The amount in respect of limited liability companies was 3.7 billion and related to 1 661 companies, mostly concentrated in the industrial and commercial sectors.

Funds employed for the formation of new companies totalled 3.4 billion dirhams against 10.5 billion in 2001. This fall reflects the decline in the case of public limited companies, which raised only 614 million for 146 newly created companies, compared to 3.5 billion dirhams the previous year. It also reflects a drop of 7 billion to 2.7 billion in the contribution of limited liability companies, numbering 3 316. This development is connected with the marked slowing of the trend towards transforming public limited companies, which in the year under review affected only 514 units for an overall capital of 761 million dirhams, compared to 5.3 billion the previous year for a total of 2 285 companies.



The total of the capital flows corresponding to the investments made by non-financial agents in 2002 permitted the financing of enterprises and households to the extent of 24.7 billion dirhams, against 22.9 billion the previous year, and covered the Treasury's requirements to the extent of 14.9 billion, compared to 9.7 billion the previous year. The development of the investments by non-financial agents also reflects an increase in net foreign currency holdings of 8.8 billion dirhams, after the expansion of 47.3 billion recorded a year earlier.

THE BALANCE SHEET OF THE BANK AL-MAGHRIB

The balance sheet of the Bank Al-Maghrib, after distribution of profits, totalled 125 919.9 million dirhams at the end of December 2002, showing a rise of 5 824.8 million or 4.9% compared to the previous year.

This development is attributable to, on the assets side, an increase in assets in convertible currencies and in advances and a decrease in lending to the State and, on the liabilities side, an increase in the note and coin circulation and in balances on the account of the Treasury and of the banks and a contraction in foreign currency liabilities.

ASSETS

Amounting, at the end of December 2002, to 105 298.7 million dirhams, gross external assets showed a rise of 5 109.2 million or 5.1% after the sharp expansion of 87.1% observed in 2001. This increase was due to the rise of 5 301.7 million dirhams in assets in convertible currencies, in connection with the further surplus shown by the external accounts. Holdings of Special Drawing Rights, for their part, declined by 181.6 million to 1 244.2 million dirhams.

Gold, Special Drawing Rights and convertible currencies

The financial resources allocated to the Treasury decreased from 6.1 billion dirhams to 5.5 billion, showing a fall of 10.4% or 636.1 million corresponding to the repayment of the amount previously used under the overdraft facility. This development is all the more significant because the Treasury had to meet an additional financing requirement, due to the postponement of the privatisation operations, which it met mainly by recourse to the tender market.

Claims on Government

Claims in respect of the agreed advances granted to the Treasury under paragraph 3 of Article 35 of the dahir creating the Bank Al-Maghrib remained unchanged at 5 500 million, the breakdown of which is as follows:

on 12 March	1964	for an amount of	250 million dirhams
on 31 December	1967	" " " "	250 million dirhams
on 7 May	1970	" " " "	500 million dirhams
on 13 March	1974	" " " "	1 000 million dirhams
on 13 October	1977	" " " "	2 000 million dirhams
on 9 April	1980	" " " "	1 500 million dirhams

Current accounts at
the Postal Cheque Centre

The Bank Al-Maghrib's credit balance at the Postal Cheque Centre, at 38 million dirhams, showed a rise of 11.6 million compared to the end of December 2001.

Credit operations

Credit operations amounted to 11 013.2 million dirhams at the end of December 2002, showing a rise of 1 110.8 million or 11.2% compared to the previous year. This development is due to the increase of 17.3% in advances, from 8 311.2 million dirhams to 9 748.2 million. Of this total, the facilities granted to the banks remained insignificant, totalling less than 1 million dirhams, owing to the easy state of their cash holdings. Bills in course of collection, amounting to 1 265 million dirhams, showed a decrease of 326.2 million dirhams or 20.5%, mainly owing to the fall in immediately credited cheques for which payment was made to the Treasury.

Use of capital and
reserves

The category "Use of capital and reserves", which comprises tangible fixed assets net of depreciation and securities in portfolio, totalled 2 594.2 million dirhams, showing a decline of 68.5 million or 2.6% compared to the end of December 2001.

Other miscellaneous
assets

Consisting mainly of the payments on account paid to the State in respect of corporation tax and claims on third parties, other miscellaneous assets

totalled 1 475.8 million dirhams at the end of 2002, showing a rise of 297.8 million compared to December 2001.

LIABILITIES

The value of notes in circulation was 71 782.8 million dirhams, showing an increase of 3 479.9 million or 5.1%, a smaller rise than that of 13.4% recorded at the end of the previous year, when there had been a sharp increase in the monetary aggregates due to an exceptionally high flow of foreign currencies.

Notes in circulation

At the end of December 2002, the breakdown of notes in circulation was as follows:

4 178 691 notes	of 5 dirhams	DH	20 893 455.00
17 886 335 notes	of 10 dirhams	DH	178 863 350.00
49 201 748 notes	of 20 dirhams	DH	984 034 960.00
36 440 616 notes and 1/2 of	50 dirhams	DH	1 822 030 825.00
311 807 695 notes	of 100 dirhams	DH	31 180 769 500.00
187 981 163 notes and 1/2 of	200 dirhams	DH	37 596 232 700.00
Total			DH 71 782 824 790.00

Reaching 1 387.8 million dirhams, the total value of coins in circulation increased by 95.4 million dirhams or 7.4% compared to the end of December 2001.

Coin

At the end of the year 2002 the breakdown of the coin circulation was as follows:

- Gold

11 445 coins of 250 dirhams (commemorative)	DH	2 861 250.00
2 004 coins of 500 dirhams (commemorative)	DH	1 002 000.00

- Silver

6 377 755 coins of 1 dirham	DH	6 377 755.00
650 746 coins of 5 dirhams	DH	3 253 730.00
27 258 coins of 50 dirhams (commemorative)	DH	1 362 900.00
9 141 coins of 100 dirhams (commemorative)	DH	914 100.00
3 927 coins of 150 dirhams (commemorative)	DH	589 050.00
19 528 coins of 200 dirhams (commemorative)	DH	3 905 600.00

- Nickel

222 504 153 coins of 50 centimes and of 1/2 dirham	DH	111 252 076.50
402 944 041 coins of 1 dirham	DH	402 944 041.00
66 923 578 coins of 5 dirhams	DH	334 617 890.00
42 557 481 coins of 10 dirhams	DH	425 574 810.00

- Aluminium Bronze

223 106 835 coins of 5 centimes	DH	11 155 341.75
249 412 415 coins of 20 centimes and 1/2	DH	49 882 483.10
318 722 306 coins of 10 centimes	DH	31 872 230.60

- Aluminium

22 888 221 coins of 1 centime	DH	228 882.21
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Total DH 1 387 794 140.16

Liabilities in gold
and convertible currencies

At 951.3 million dirhams, liabilities in gold and convertible currencies showed a sharp contraction of 3 232.8 million or 77.3%, whereas they had increased by 1 129 million or 37% the previous year. This fall is mainly attributable to the transfer, to foreign correspondents, of virtually the whole of the foreign currency deposits previously built up by the banks with the Bank Al-Maghrib, as a result of the measure of liberalisation of foreign currency investments abroad which was introduced in May 2002.

Deposits and other liabilities, amounting to 36 696.4 million dirhams, showed an increase, from year-end to year-end, of 3 580.4 million or 10.8%. This was due to the building up by the Treasury of a credit balance of 1 356.8 million dirhams, and to the substantial increase in that of the banks' accounts, due to the raising of the monetary reserve ratio from 10% to 14% with effect from 26 December 2002. Liquidity withdrawals, for their part, fell by 4 000 million, the central bank having discontinued these operations at the end of the year. Balances on the Hassan II Fund for Economic and Social Development amounted to 9 159.9 million dirhams, representing a fall of 840.1 million dirhams, due to the financing provided by that body.

Deposits and other
liabilities

The equivalent of drawings on the allocations of Special Drawing Rights, i.e. 433.6 million dirhams, remained unchanged compared to the previous year.

Allocations of Special
Drawing Rights

The total of capital and reserves, at 5 369 million dirhams, showed a fall of 54.7 million or 1%, due solely to the contraction in reserves, the capital having remained unchanged at 500 million dirhams.

Capital and reserves

Totalling 9 298.8 million dirhams, miscellaneous liabilities showed a rise of 1 956.6 million or 26.6%, mainly due to the increase in provision for exchange losses of 1 812.6 million.

Miscellaneous

The net profit for the year, after deduction of 1 006.8 million in respect of corporation tax, amounted to 1 560.1 million dirhams, showing a slight decline of 167.3 million compared to the previous year.

**BALANCE SHEET AND
INCOME STATEMENT ACCOUNTS
FOR THE FINANCIAL YEAR 2002**

BALANCE SHEET OF THE BANK AL-MAGHRIB

ASSETS

	(Dirhams)
Gold, Special Drawing Rights and convertible currencies.....	105 298 722 692.56
- Gold.....	1 960 135 451.30
- I.M.F subscription - Reserve tranche.....	1 293 531 311.54
- Special Drawing Rights.....	1 244 183 638.90
- Convertible currencies.....	100 515 788 590.82
- Subscription to the Arab Monetary Fund.....	285 083 700.00
Payment agreements.....	11 307.30
Claims on Government.....	5 500 000 000.00
- Advances to the Government - Article 35-3 of statutes	5 500 000 000.00
- Advance to the Government - Article 35-2 of statutes	-
- Mobilised customs drafts and surety bonds.....	-
Current accounts at the Postal Cheque Centre.....	38 002 465.99
Credit operations.....	11 013 237 902.58
- Advances.....	9 748 246 543.55
- Items in course of settlement.....	1 264 991 359.03
Treasury bills purchased on the secondary market.....	-
Use of capital and reserves.....	2 594 210 247.37
Miscellaneous	1 475 799 486.97
Total assets.....	125 919 984 102.77

AS AT 31 DECEMBER 2002

LIABILITIES

	(Dirhams)
Bank notes and coin in circulation	73 170 618 930.16
- Notes.....	71 782 824 790.00
- Coin.....	1 387 794 140.16
Liabilities in gold and convertible currencies	951 329 317.82
- Gold.....	-
- Convertible currencies.....	719 164 914.55
- Convertible dirhams.....	29 827 058.28
- International organizations.....	202 337 344.99
Payment agreements.....	225 405.75
Deposits and other liabilities.....	36 696 384 621.65
- Current account of the Treasury.....	1 356 786 737.44
- Banks - Current operations.....	22 787 990 367.83
- Banks - Reserve accounts.....	-
- Banks - Liquidity withdrawal accounts.....	-
- Other accounts.....	12 537 775 770.03
- Other liabilities.....	13 831 746.35
Allocations of Special Drawing Rights.....	433 628 327.61
Capital and reserves.....	5 368 959 326.91
- Capital.....	500 000 000.00
- Reserves.....	4 868 959 326.91
Miscellaneous.....	9 298 838 172.87
Total liabilities.....	125 919 984 102.77

**INCOME STATEMENT ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

	(Dirhams)
RECEIPTS	
Discount earnings	3 135 028.75
Interest receipts.....	3 234 879 296.06
Commissions	152 360 449.80
Other financial earnings	256 344 211.39
Other earnings.....	76 299 929.77
I. Total receipts.....	3 723 018 915.77
EXPENDITURE	
Operating expenses.....	492 377 733.94
Other expenditure.....	478 074 017.12
Allowance for depreciation.....	131 025 919.64
Provisions	54 580 398.47
II. Total expenditure.....	1 156 058 069.17
III. Profit before tax (I-II)	2 566 960 846.60
IV. Corporation tax	1 006 834 689.34
V. Net profit (III-IV)	1 560 126 157.26

APPENDICES

I-1 - Gross domestic product by branch of activity
(at 1980 market prices)

(in millions of dirhams)

Branches of activity	1998	1999	2000*	2001*	2002**
Primary sector.....	21 901	18 251	15 377	19 619	20 717
Agriculture, forestry and fishing	21 901	18 251	15 377	19 619	20 717
Secondary sector	39 358	40 422	41 580	43 643	44 817
Mining.....	3 951	3 905	3 838	3 952	4 079
Energy and water ⁽¹⁾	6 544	6 754	6 722	7 250	7 468
Manufacturing	23 277	23 906	24 744	25 792	26 641
Construction and public works	5 586	5 857	6 276	6 648	6 628
Tertiary sector	50 005	51 924	54 592	55 705	57 519
Transport and communications.....	8 655	9 358	10 186	10 162	10 625
Commerce and import taxes and duties	26 555	27 618	29 298	30 216	31 395
of which : - commerce	16 467	16 779	17 595	18 766	19 586
- Import taxes and duties less subsidies..	10 088	10 839	11 703	11 449	11 809
Other services ⁽²⁾	14 795	14 948	15 108	15 328	15 499
Market gross domestic product	111 264	110 597	111 549	118 967	123 053
General government	22 465	23 027	23 351	24 428	24 916
Gross domestic product	133 729	133 623	134 900	143 395	147 969

I-2 - Gross domestic product changes
(at 1980 market prices)

(percentage changes)

Branches of activity	1998	1999	2000*	2001*	2002**
Primary sector.....	27.9	-16.7	-15.7	27.6	5.6
Agriculture, forestry and fishing	27.9	-16.7	-15.7	27.6	5.6
Secondary sector	2.3	2.7	2.9	5.0	2.7
Mining.....	-3.3	-1.2	-1.7	3.0	3.2
Energy and water ⁽¹⁾	5.1	3.2	-0.5	7.9	3.0
Manufacturing	2.1	2.7	3.5	4.2	3.3
Construction and public works	4.1	4.9	7.1	5.9	-0.3
Tertiary sector	6.8	3.8	5.1	2.0	3.3
Transport and communications.....	8.7	8.1	8.8	-0.2	4.6
Commerce and import taxes and duties	7.7	4.0	6.1	3.1	3.9
of which : - commerce	7.5	1.9	4.9	6.7	4.4
- Import taxes and duties less subsidies..	7.9	7.4	8.0	-2.2	3.1
Other services ⁽²⁾	4.2	1.0	1.1	1.5	1.1
Market gross domestic product	8.6	-0.6	0.9	6.6	3.4
General government	3.2	2.5	1.4	4.6	2.0
Gross domestic product	7.7	-0.1	1.0	6.3	3.2

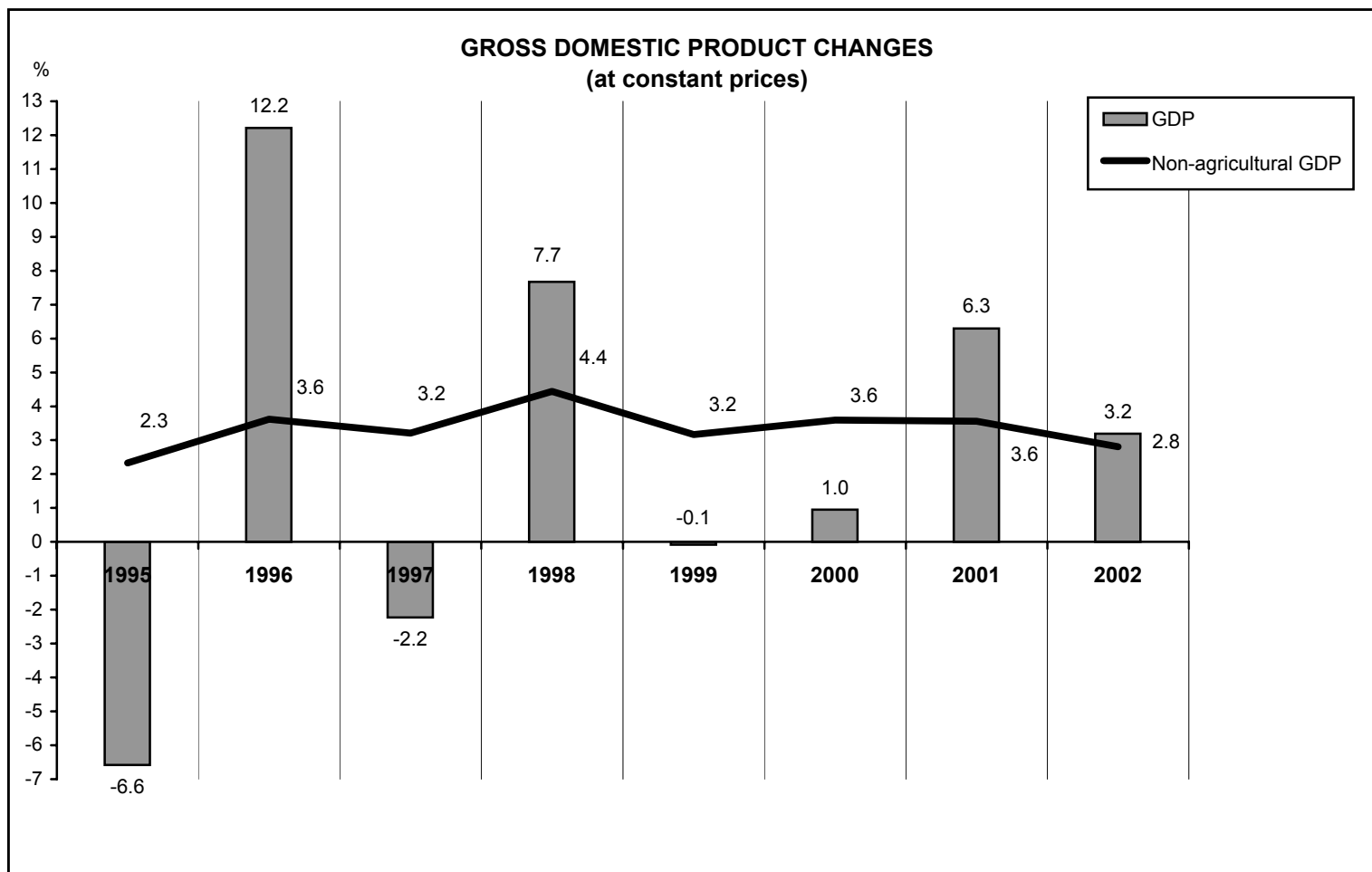
(1) Anthracite, crude oil, oil refining, electricity and water.

(2) Accommodation, catering, other non financial market services, financial institutions and imputed bank service charges.

(*) Revised.

(**) Preliminary.

Source : Department of Economic Estimates and Plan.



I-3 - Gross domestic product by branch of activity
(at current prices)

(in millions of dirhams)

Branches of activity	1998	1999	2000*	2001*	2002**
Primary sector.....	59 211	52 905	48 991	59 657	64 141
Agriculture, forestry and fishing	59 211	52 905	48 991	59 657	64 141
Secondary sector	108 669	110 553	113 100	118 653	120 622
Mining.....	7 335	7 464	7 290	7 429	7 314
Energy and water ⁽¹⁾	27 462	27 159	25 264	26 983	27 129
Manufacturing	58 400	59 582	62 246	64 869	66 864
Construction and public works	15 472	16 348	18 300	19 372	19 314
Tertiary sector	128 892	132 712	141 628	146 621	153 047
Transport and communications.....	19 796	21 678	24 897	26 259	28 673
Commerce and import taxes and duties	66 104	66 339	70 624	73 036	75 708
of which : - commerce	39 312	39 843	42 490	44 989	47 149
- Import taxes and duties less subsidies..	26 792	26 496	28 134	28 047	28 559
Other services ⁽²⁾	42 992	44 695	46 107	47 326	48 666
Market gross domestic product	296 772	296 170	303 719	324 932	337 810
General government	47 234	49 424	50 489	58 253	59 972
Gross domestic product	344 006	345 594	354 208	383 185	397 782

I-4 - Gross domestic product changes
(at current prices)

(percentage changes)

Branches of activity	1998	1999	2000*	2001*	2002**
Primary sector.....	20.5	-10.7	-7.4	21.8	7.5
Agriculture, forestry and fishing	20.5	-10.7	-7.4	21.8	7.5
Secondary sector	3.5	1.7	2.3	4.9	1.7
Mining.....	2.8	1.8	-2.3	1.9	-1.5
Energy and water ⁽¹⁾	2.2	-1.1	-7.0	6.8	0.5
Manufacturing	3.9	2.0	4.5	4.2	3.1
Construction and public works	4.8	5.7	11.9	5.9	-0.3
Tertiary sector	6.7	3.0	6.7	3.5	4.4
Transport and communications.....	6.7	9.5	14.8	5.5	9.2
Commerce and import taxes and duties	6.5	0.4	6.5	3.4	3.7
of which : - commerce	7.2	1.4	6.6	5.9	4.8
- Import taxes and duties less subsidies..	5.5	-1.1	6.2	-0.3	1.8
Other services ⁽²⁾	6.9	4.0	3.2	2.6	2.8
Market gross domestic product	7.9	-0.2	2.5	7.0	4.0
General government	8.9	4.6	2.2	15.4	3.0
Gross domestic product	8.1	0.5	2.5	8.2	3.8

(1) Anthracite, crude oil, oil refining, electricity and water.

(2) Accommodation, catering, other non financial market services, financial institutions and imputed bank service charges.

(*) Revised.

(**) Preliminary.

Source : Department of Economic Estimates and Plan.

I-5 - Goods and services account

(at current prices)

(in millions of dirhams)

	1999	2000*	2001*	2002**	change in %	
					<u>2001</u> 2000	<u>2002</u> 2001
RESOURCES						
Gross domestic product	345 594	354 208	383 185	397 782	8.2	3.8
Resources deficit	14 880	23 245	13 533	12 215	-41.8	-9.7
Imports of goods and nonfactor services	99 543	116 200	120 479	128 239	3.7	6.4
Exports of goods and nonfactor services	84 663	92 955	106 946	116 024	15.1	8.5
Total available resources.....	360 474	377 453	396 718	409 997	5.1	3.3
EXPENDITURE						
Final national consumption	280 562	293 512	308 997	319 680	5.3	3.5
- Resident households	214 416	225 823	233 174	239 718	3.3	2.8
- General government.....	66 146	67 689	75 823	79 962	12.0	5.5
Investment.....	79 912	83 941	87 721	90 317	4.5	3.0
Gross fixed capital formation.....	81 896	85 422	85 375	91 142	-0.1	6.8
Changes in stocks.....	- 1 984	- 1 481	+ 2 346	- 825	-	-135.2
Total expenditure	360 474	377 453	396 718	409 997	5.1	3.3

I-6 - Gross national disposable income and its appropriation

(at current prices)

(in millions of dirhams)

	1999	2000*	2001*	2002**	change in %	
					<u>2001</u> 2000	<u>2002</u> 2001
Gross domestic product	345 594	354 208	383 185	397 782	8.2	3.8
Net foreign income.....	13 243	18 199	31 743	28 665	74.4	- 9.7
Gross national disposable income	358 837	372 407	414 927	426 447	11.4	2.8
Final national consumption.....	280 562	293 512	308 997	319 680	5.3	3.5
Gross national savings	78 275	78 895	105 930	106 767	34.3	0.8
Total appropriation of gross national disposable income	358 837	372 407	414 927	426 447	11.4	2.8

I-7 - Investment and savings

(at current prices)

(in millions of dirhams)

	1999	2000*	2001*	2002**	change in %	
					<u>2001</u> 2000	<u>2002</u> 2001
Gross national savings.....	78 275	78 895	105 930	106 767	34.3	0.8
Net capital transfers	- 84	- 63	- 101	- 66	60.3	-34.7
Financing requirement	1 720	5 109	-	-	-	-
Total resources.....	79 912	83 941	105 829	106 701	26.1	0.8
Gross fixed capital formation.....	81 896	85 422	85 375	91 142	-0.1	6.8
Changes in stocks	- 1 984	- 1 481	+ 2 346	- 825	-	-
Financing capacity	-	-	18 108	16 384	-	-
Total expenditure.....	79 912	83 941	105 829	106 701	26.1	0.8

(*) Revised.

(**) Preliminary.

Source : Department of Economic Estimates and Plan.

II-1 - Cereals

	2000-2001			2001-2002		
	Area (1000 hectares)	Production (1000 quintals)	Yield (quintals per hectare)	Area (1000 hectares)	Production (1000 quintals)	Yield (quintals per hectare)
Principal cereals						
Soft wheat	1 724	22 776	13.2	1 745	23 252	13.3
Hard wheat	977	10 398	10.6	882	10 315	11.7
Barley	2 126	11 552	5.4	2 002	16 690	8.3
Maize	254	536	2.1	265	1 989	7.5
Total.....	5 081	45 262	8.9	4 894	52 246	10.7
Secondary cereals	57.6	678	11.8	47.8	513	10.7
of which : rice	7.5	396	52.8	6.4	265.3	41.5

Source : Ministry of Agriculture and Rural Development.
(Programming and Economic Affairs Department.)

II-2 - Marketing of principal home-grown grains

(in thousands of quintals)

	June 2000 to May 2001	June 2001 to May 2002	June to December 2002
Soft wheat	4 036	8 052	9 157
Hard wheat	99	87	134
Barley	6	68	100
Maize	28	2	20
Total.....	4 169	8 209	9 411

Source : National Agricultural Cereals and Pulse Crops Office.

II-3 - Pulse crops

	2000 - 2001			2001 - 2002		
	Area (1000 hectares)	Production (1000 quintals)	Yield (quintals per hectare)	Area (1000 hectares)	Production (1000 quintals)	Yield (quintals per hectare)
Broad beans	143	820	5.7	154	888	5.8
Chick peas	58	318	5.5	72	513	7.1
Green peas	28	128	4.6	39	216	5.5
Lentils	42	129	3.1	61	417	6.8
Other leguminous vegetables	43	222	5.2	56	331	5.9
Total.....	314	1 617	5.1	382	2 365	6.2

Source : Ministry of Agriculture and Rural Development.

II-4 - Market garden crops

	Oct. 2000 to Sept. 2001			Oct. 2001 to Sept. 2002		
	Area (1000 hectares)	Production (1000 tonnes)	Yield (tonnes per hectare)	Area (1000 hectares)	Production (1000 tonnes)	Yield (tonnes per hectare)
Vegetable crops of season	214.0	3 707	17.3	201.4	4 200	20.9
Early fruits and vegetables	24.0	962	40.1	24.5	1 105	45.1
Tomatoes	4.7	446	94.9	5.9	565	95.8
Potatoes	9.5	140	14.7	7.0	130	18.6
Other vegetables	9.8	376	38.4	11.6	410	35.3
Total.....	238.0	4 669	19.6	225.9	5 305	23.5

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-5 - Exports of early fruits and vegetables

(in thousands of tonnes)

	Oct.1999 to Sept.2000	Oct.2000 to Sept.2001	Oct.2001 to Sept.2002
Tomatoes	215.8	186.8	205.0
Potatoes	66.6	47.1	38.6
Other vegetables	93.4	109.7	133.0
Total.....	375.8	343.6	376.6

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-6 - Citrus fruits

(in thousands of tonnes)

	October 99 to July 00		October 00 to July 01		October 01 to July 02	
	Production	Exports	Production	Exports	Production	Exports
Oranges.....	845	325	694	254	703	240
Clementines	360	192	175	95	286	122
Miscellaneous	195	80	110	41	154	68
Total.....	1 400	597	979	390	1 143	430

Source : Ministry of Agriculture and Rural Development.
(Vegetable Production Department.)

II-7 - Sugar - beet crops and sugar production

	Harvested area (hectares)	Crops (tonnes)	Yield (tonnes per hectare)	Sugar production* (tonnes)
2000 - 2001				
Gharb	16 500	767 000	46.5	} 126 672
Loukkos	5 600	225 000	40.2	
Tadla	13 500	675 000	50.0	80 000
Doukkala	18 400	1 192 000	64.8	159 000
Moulouya	4 400	247 000	56.1	33 048
Total.....	58 400	3 106 000	53.2	398 720
2001 - 2002				
Gharb	16 800	764 000	45.5	110 200
Loukkos	5 660	253 000	44.7	36 800
Tadla	13 640	668 000	49.0	91 184
Doukkala	18 480	985 000	53.3	107 216
Moulouya	4 830	316 000	65.4	33 000
Total.....	59 410	2 986 000	50.3	378 400

(*) Data provided by the Ministry of Industry, Trade and Telecommunications.
Source : Ministry of Agriculture and Rural Development.
(Vegetable Production Department.)

II-8 - Sugar - cane crops and sugar production

	Harvested area (hectares)	Crops (tonnes)	Yield (tonnes per hectare)	Sugar production* (tonnes)
2001				
Gharb	13 644	989 000	72.5	} 101 593
Loukkos	4 262	332 000	77.9	
Total.....	17 906	1 321 000	73.8	101 593
2002				
Gharb	10 050	624 000	62.1	59 400
Loukkos	3 960	314 000	79.3	29 200
Total.....	14 010	938 000	67.0	88 600

(*) Data provided by the Ministry of Industry, Trade and Telecommunications.

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-9 - Raw cotton ⁽¹⁾

	2000-2001			2001-2002		
	Area (hectares)	Production (quintals)	Yield (quintals per hectare)	Area (hectares)	Production (quintals)	Yield (quintals per hectare)
Doukkala	300	3 600	12.0	340	4 080	12.0

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-10 - Olive-growing

(in thousands of tonnes)

	Crops End of 2000 - Beginning of 2001	Crops End of 2001 - Beginning of 2002*	Crops End of 2002 - Beginning of 2003**
Olive production	420	600	500
Olive oil production.....	35	60	45

(*) Revised.

(**) Preliminary.

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-11 - Oleaginous plants

	2000 - 2001			2001 - 2002		
	Harvested area (1000 hectares)	Production (1000 quintals)	Yield (Quintals per hectare)	Harvested area (1000 hectares)	Production (1000 quintals)	Yield (Quintals per hectare)
Sunflower	61.5	270	4.4	45.8	164	3.6
Groundnut	20.8	500	24.0	21.0	480	22.9

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-12 - Vine growing

	2000		2001		2002	
	Area (hectares)	Production (tonnes)	Area (hectares)	Production (tonnes)	Area (hectares)	Production (tonnes)
Dessert grapes	37 500	196 600	38 800	203 200	39 600	240 600
Wine-producing grapes	9 800	56 000	10 700	60 800	10 400	79 000
Total.....	47 300	252 600	49 500	264 000	50 000	319 600

Source : Ministry of Agriculture and Rural Development.

(Vegetable Production Department.)

II-13 - Stock farming ⁽¹⁾

(in thousands)

	2000	2001	2002*
Cattle.....	2 575	2 500	2 570
Sheep	14 499	15 000	15 102
Goats.....	4 930	4 800	5 046
Total.....	22 004	22 300	22 718

(1) Census carried out in October-November.

(*) Preliminary.

Source : Ministry of Agriculture and Rural Development.

(Programming and Economic Affairs Department.)

II-14 - Meat supplied for consumption

(in thousands of tonnes)

	2000	2001*	2002**
Red meat	330	334	344
Cattle.....	140	145	170
Sheep	120	120	110
Goats.....	22	20	15
Other	48	49	49
White meat	220	280	315

(*) Revised

(**) Preliminary.

Source : Ministry of Agriculture and Rural Development.

(Stock farming Department.)

II-15 - Marine fisheries

(in thousands of tonnes)

	2001*	2002**
Production.....	1 101.1	949.3
- Deep-sea fishing.....	122.5	56.5
- Coastal fishing.....	978.6	892.8
Consumption of fresh products ⁽¹⁾	189.5	229.5
Processing.....	769.7	650.5
- Canned fish ⁽¹⁾	210.0	230.0
- By-products.....	509.0	353.1
- Freezing.....	58.3	67.4
Exports.....	391.0	303.8
- Fresh and freezed fish	55.0	46.4
- Crustaceans and molluscs.....	134.0	127.9
- Canned fish.....	109.0	106.4
- By-products.....	93.0	23.1

(*) Revised

(**) Preliminary.

(1) Supplies to canning industry from purchases made by wholesalers are deducted from "consumption of fresh products" and included in the "canned fish" item.

Sources : - Production : Ministry of Marine Fisheries and National Fishing Office.

- Exports : Foreign Exchange Office.

III-1 - Main mineral products

(in thousands of tonnes)

	Production ⁽¹⁾			Exports ⁽²⁾		
	2000	2001*	2002**	2000	2001*	2002**
Phosphate rock.....	21 463.0	21 983.0	23 041.0	10 487.5	10 853.2	11 649.3
Other non-metallic ores						
Barite.....	343.6	467.1	469.9	327.2	410.9	406.8
Fluorspar.....	77.0	96.5	94.9	78.2	94.0	94.5
Salt.....	162.4	231.8	266.1	37.7	111.3	-
Bentonite.....	43.2	71.7	65.8	25.0	41.8	-
Metallic ores						
Zinc ore.....	201.7	174.8	178.4	190.3	187.4	325.3
Lead ore.....	117.4	110.9	87.4	39.2	33.7	30.8
Iron ore.....	6.5	8.0	1.6	-	-	-
Copper ore.....	23.2	19.1	17.8	25.2	20.9	19.3
Chemical manganese.....	25.8	13.8	17.5	16.9	15.5	13.8

(*) Revised.

(**) Preliminary.

Source : (1) Production : Ministry of Energy and Mining.

(2) Exports : Foreign Exchange Office.

III-2 - Index of mineral production

(1992=100)

	Weighting	2000	2001*	2002**	Percentage changes <u>2002</u> 2001
Overall index	100.0	109.6	112.2	115.1	2.6
- Phosphates	78.65	112.1	114.9	120.4	4.8
- Metallic ores	16.50	103.2	89.0	80.2	-9.9

(*) Revised.

(**) Preliminary.

Source : Department of Economic Estimates and Plan.

III-3 - Energy balance

(in thousands of "tonnes oil equivalent", T.O.E.)

	2000		2001*		2002**	
	Total	%	Total	%	Total	%
Consumption	9 655	100	10 161	100	10 287	100
- Coal	2 567	26.6	3 274	32.2	3 331	32.4
- Petroleum products	6 236	64.6	6 166	60.7	6 277	61.0
- Natural gas	38	0.4	38	0.4	48	0.5
- Hydro-electricity, wind power electricity and imported electricity .	814	8.4	683	6.7	631	6.1
Of which :						
Domestic products	267	100	325	100	323	100
- Anthracite	16	6.0	-	-	-	-
- Oil and natural gas	51	19.1	48	14.8	54	16.7
- Hydro-electricity and wind power electricity.....	200	74.9	277	85.2	269	83.3
Deficit	9 388		9 836		9 964	
-As a percentage of overall consumption.....		97.2		96.8		96.9

(*) Revised.

(**) Preliminary.

Source : Ministry of Energy and Mining.

III-4 - Energy production

	2000	2001*	2002**	Percentage changes <u>2002</u> 2001
Extraction activity				
Anthracite (1 000 t)	29.0	-	-	-
Crude oil (1 000 t)	14.0	10.8	6.5	-39.8
Natural gas (millions m ³).....	50.0	50.0	63.0	26.0
Processing activity				
Refineries' production (1000 t) ⁽¹⁾	6 189.0	6 324.0	5 694,0	-10.0
Net electricity production (millions kWh)	11 579	13 153	14 103	7.2
Of which : Concession electricity	(6 499.8)	(9 233.8)	(9 566,6)	(3.6)

(*) Revised.

(**) Preliminary.

(1) Excluding non energy oil products (bitumen and lubricants).

Sources : Ministry of Energy and Mining and National Electricity Office.

III-5 - Energy production expressed in Tonnes Oil Equivalent (TOE)

In thousands of Tonnes Oil Equivalent (TOE)	2001*			2002**		
	Quantities	Percentage changes	Structure	Quantities	Percentage changes	Structure
Total production ⁽¹⁾	9 744	5.9	100.0	9 361	- 3.9	100.0
Of which :						
- Refined petroleum ⁽²⁾	6 324	2.2	64.9	5 694	-10.0	60.8
- Electricity	3 420	14.2	35.1	3 667	7.2	39.2
- Coal	-	-	-	-	-	-

(*) Revised.

(**) Preliminary.

(1) Calculated according to data provided by the Ministry of Energy and Mining and the National Electricity Office, on the basis of a conversion ratio of 0.26 TOE per 1000 kWh for electricity and 0.56 TOE per tonne for coal.

(2) Excluding non energy oil products (bitumen and lubricants).

III-6 - Total energy consumption

	2000	2001*	2002**	Percentage changes <u>2002</u> 2001
Petroleum products (1 000 t)	6 236	6 166	6 277	1.8
- Light distillates	3 656	3 791	3 812	0.6
. Standard petrol	79	79	76	-3.8
. Super petrol	326	323	321	-0.6
. Planes kerosene	285	278	282	1.4
. Gas-oil	2 841	2 992	3 026	1.1
. Miscellaneous	125	119	107	-10.1
- Liquefied gas	1 129	1 189	1 240	4.3
. Butane.....	1 038	1 086	1 134	4.4
. Propane.....	91	103	106	2.9
- Fuel-oil	1 451	1 186	1 225	3.3
. Quantities used for electricity production	611	292	422	44.5
. Other	840	894	803	-10.2
Coal (1 000 t)	3 913	4 969	5 047	1.6
. Quantities used for electricity production	3 219	4 171	4 317	3.5
. Other	694	798	730	-8.5
Natural gas (millions m³).....	50	50	63	26.0
Electricity O.N.E. (millions kWh)	12 175	12 800	13 425	4.9
of which : external contribution.....	2 363	1 564	1 392	-11.0

(*) Revised.

(**) Preliminary.

Sources : Ministry of Energy and Mining and National Electricity Office.

III-7 - Final energy consumption ⁽¹⁾

In thousands of Tonnes Oil Equivalent (TOE)	2001*			2002**		
	Quantities	Percentage changes	Structure	Quantities	Percentage changes	Structure
Final energy consumption ⁽²⁾	9 757	5.2	100	9 868	1.1	100
. Petroleum products	5 902	4.4	60.5	5 895	-0.1	59.7
of which :						
(Gas oil).....	(2 982)	(5.4)	(30.6)	(3 018)	(1.2)	(30.6)
. Electricity	3 328	5.1	34.1	3 491	4.9	35.4
. Coal	527	15.1	5.4	482	-8.5	4.9

(1) Final energy consumption is equal to primary consumption less energy products consumed by the National Electricity Office.

(2) Final energy consumption is calculated on the basis of data provided by the Ministry of Energy and Mining and the National Electricity Office (ONE) on the basis of a conversion coefficient of 0.26 TOE per 1000 kWh for electricity and 0.66 TOE per tonne for coal.

(*) Revised.

(**) Preliminary.

IV-1 - Indices of manufacturing production

(1992=100)

	Weighting	2000	2001	2002	Percentage changes	
					<u>2001</u> 2000	<u>2002</u> 2001
Food, beverages and tobacco industries	249	129.7	135.5	138.1	4.5	1.9
Staple foods ⁽¹⁾	184	132.7	135.7	139.3	2.3	2.7
Beverages and tobacco	65	120.8	134.9	134.8	11.7	- 0.1
Textiles, clothing and leather industries	223	118.0	115.5	114.7	- 2.1	- 0.7
Textiles and knitting mills	113	102.0	101.9	101.1	- 0.1	- 0.8
Wearing apparel except footwear	90	138.7	131.2	129.2	-5.4	- 1.5
Tanning and leather footwear	20	114.8	120.9	126.1	5.3	4.3
Chemical and paracheical industries	218	132.6	138.2	145.7	4.2	5.4
Chemical and paracheical products.....	151	130.0	137.7	145.2	5.9	5.4
Rubber and plastic manufactures	30	126.3	122.9	130.3	-2.7	6.0
Paper and cardboard, printing.....	37	148.2	153.0	160.0	3.2	4.6
Mechanical, metallurgical, electrical and electronic industries	181	121.2	129.1	133.6	6.5	3.5
Basic metal industries	22	135.3	144.8	168.4	7.0	16.3
Metal works except machinery	61	109.0	118.8	127.0	9.0	6.9
Machinery and equipment	20	120.5	118.2	116.3	- 1.9	- 1.6
Transport equipment	41	125.5	143.4	134.8	14.3	- 6.0
Electrical and electronic equipment	34	127.1	127.4	132.0	0.2	3.6
Office machinery, measuring equipment, optical goods, clocks.....	2	159.6	114.9	125.7	-28.0	9.4
Other manufactures	1	111.7	108.8	102.4	- 2.6	- 5.9
Wood and building materials	129	119.6	124.0	130.9	3.7	5.6
Timber and woodworking	21	110.8	116.8	121.1	5.4	3.7
Processed quarry products	108	121.3	125.4	132.8	3.4	5.9
Total manufacturing	1000	124.9	128.9	132.7	3.2	2.9

(1) Food products (branch 10) and other food products (branch 11).

Source : Department of Economic Estimates and Plan.

V-1 - Tourist arrivals

	2000	2001	2002	Percentage changes <u>2002</u> 2001
I . Foreign tourists	2 505 708	2 465 788	2 477 572	+ 0.5
A. On-shore	2 325 505	2 249 662	2 222 267	- 1.2
European Union countries	1 805 088	1 772 365	1 778 716	+ 0.4
Of which :				
.France	813 865	840 230	877 465	+ 4.4
.Spain	232 245	200 519	201 258	+ 0.4
.Germany	211 039	196 700	172 860	-12.1
.United Kingdom	137 232	135 642	146 511	+ 8.0
.Italy	142 426	123 628	112 518	- 9.0
Other european countries.....	113 494	92 180	90 037	-2.3
America	178 625	149 103	119 229	-20.0
Of which :				
.United States	121 068	97 072	72 845	-25.0
.Canada	34 320	31 633	28 503	- 9.9
.Argentina	6 876	5 693	2 697	-52.6
Middle east (*)	67 157	72 165	74 273	+ 2.9
Maghreb	63 989	71 454	67 279	- 5.8
Other african countries	36 076	38 477	36 152	- 6.0
Asia	40 120	33 094	35 616	+ 7.6
Other countries	20 955	20 824	20 965	+ 0.7
B. Off-shore (cruising)	180 203	216 126	255 305	+18.1
II. Moroccans resident abroad	1 787 532	1 973 653	1 971 065	- 0.1
Total	4 293 240	4 439 441	4 448 637	+ 0.2

(*) Including Egypt.

Source : Ministry of Tourism.

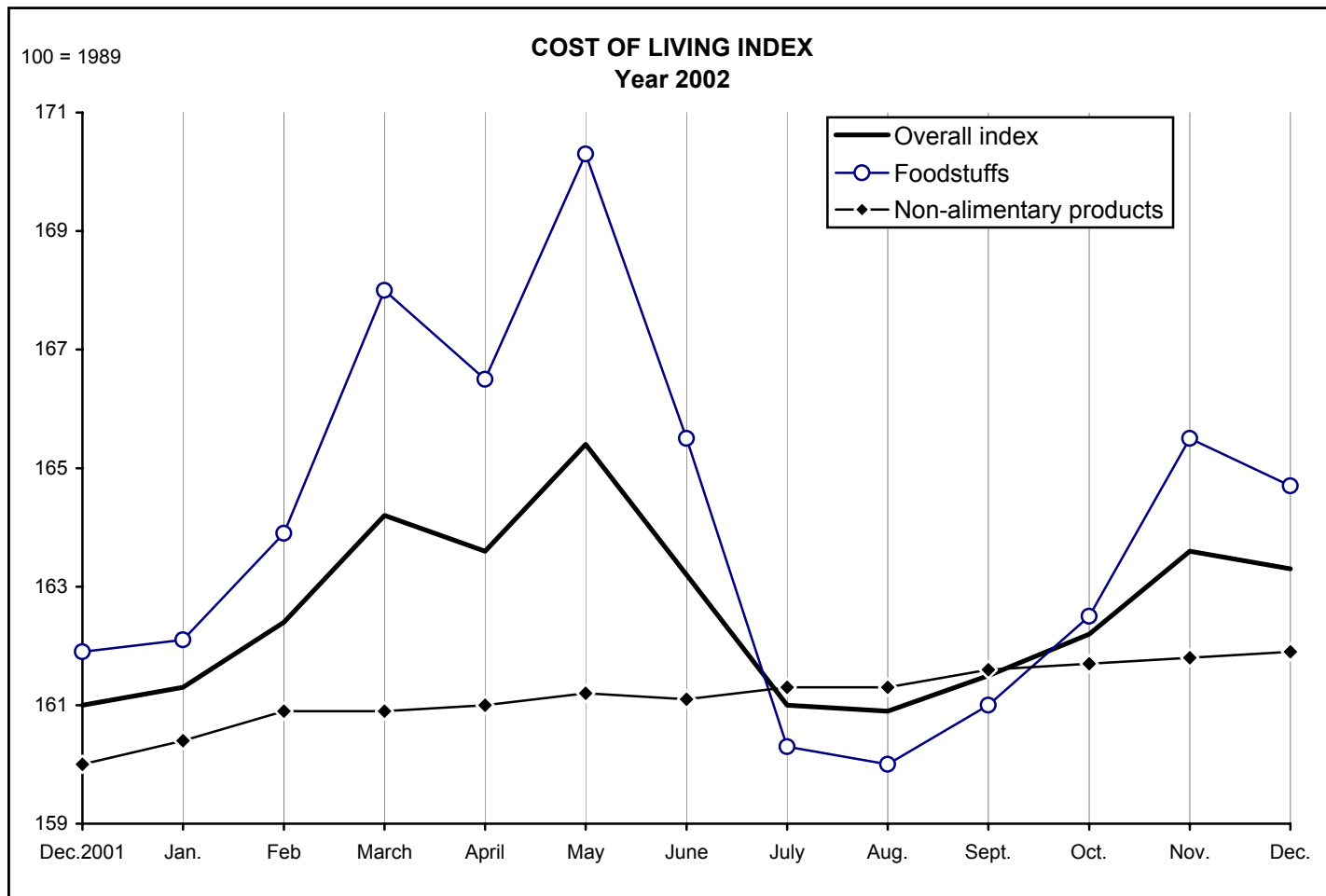
VI-1 - Cost of living index (385 items)

(1989=100)

Groups of products	2001		2002													Percentage changes	
	Annual average	Dec.	Jan.	Feb.	March	April	May	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average	Dec.02 Dec. 01	2002* 2001*
Foodstuffs	157.5	161.9	162.1	163.9	168.0	166.5	170.3	165.5	160.3	160.0	161.0	162.5	165.5	164.7	164.2	+ 1.7	+ 4.3
Of which :																	
Cereals and cereal-based products	142.4	143.1	142.8	142.9	143.4	143.3	143.3	143.3	143.1	143.5	143.8	143.6	143.6	143.5	143.3	+ 0.3	+ 0.6
Milk, dairy products and eggs	139.7	146.8	143.5	140.6	139.9	138.9	139.1	141.1	140.4	143.2	143.7	144.9	149.4	148.0	142.7	+ 0.8	+ 2.2
Fats	140.1	140.5	138.9	138.7	138.6	138.6	138.0	137.9	138.1	139.4	140.6	142.7	143.5	144.0	139.9	+ 2.5	- 0.1
Meat	165.1	168.2	168.1	168.8	169.7	173.6	186.0	178.3	176.7	178.0	179.4	178.0	179.7	183.2	176.6	+ 8.9	+ 7.0
Fresh fish	166.9	186.9	174.1	176.3	178.1	169.9	183.4	177.3	173.0	176.9	174.9	173.9	198.2	192.4	179.0	+ 2.9	+ 7.2
Fresh vegetables	166.7	206.2	218.4	236.2	272.5	230.9	193.9	175.5	147.0	140.7	146.1	166.3	188.6	188.5	192.1	- 8.6	+15.2
Fresh fruit	205.4	171.0	169.7	176.0	189.7	222.9	305.8	274.5	222.1	209.4	213.2	215.7	202.1	172.2	214.4	+ 0.7	+ 4.4
Non-alimentary products	158.7	160.0	160.4	160.9	160.9	161.0	161.2	161.1	161.3	161.3	161.6	161.7	161.8	161.9	161.2	+ 1.2	+ 1.6
Clothing	163.5	165.0	165.2	165.5	165.6	166.0	166.1	166.0	166.3	166.2	166.3	166.5	166.9	167.2	166.2	+ 1.3	+ 1.7
Housing	162.5	163.1	163.6	164.6	164.7	164.9	165.0	165.0	165.1	165.1	165.1	165.2	165.4	165.7	165.0	+ 1.6	+ 1.6
Household equipment.....	138.4	139.0	139.0	139.1	139.2	139.2	139.2	139.3	139.3	139.3	139.3	139.2	139.3	139.3	139.2	+ 0.2	+ 0.6
Medical care.....	142.5	143.2	144.1	144.1	144.0	143.8	144.1	144.1	144.1	144.1	144.1	144.1	144.4	144.4	144.1	+ 0.8	+ 1.1
Transport and communications....	162.5	163.2	163.3	163.3	163.4	163.4	163.4	163.4	163.4	163.5	163.5	163.5	163.5	163.6	163.4	+ 0.2	+ 0.6
Leisure and culture.....	159.5	162.8	163.1	163.3	163.4	163.4	163.7	163.7	165.1	165.2	166.5	166.6	166.6	166.4	164.8	+ 2.2	+ 3.3
Other goods and services.....	166.6	169.1	169.2	169.7	169.6	169.8	170.0	170.1	170.3	170.5	170.8	170.8	171.1	171.2	170.3	+ 1.2	+ 2.2
Overall index	158.3	161.0	161.3	162.4	164.2	163.6	165.4	163.2	161.0	160.9	161.5	162.2	163.6	163.3	162.7	+ 1.4	+ 2.8

(*) Annual average.

Source : Department of Economic Estimates and Plan.



VI-2 - Index of industrial producer prices (*)

(1997 = 100)

	Weighting %	4th quarter 2001	Annual average 2001	2002					Percentage changes		
				1st quarter	2nd quarter	3rd quarter	4th quarter	Annual average	4th quarter 02 4th quarter 01	2001 2000	2002 2001
Food industries.....	28.9	99.8	99.2	100.4	102.0	102.0	103.5	102.0	+ 3.7	- 0.6	+ 2.8
Tobacco industry.....	3.1	113.4	113.4	113.4	113.4	113.4	113.4	113.4	-	- 0.3	-
Textile industry	6.5	98.1	97.4	98.1	98.0	98.0	98.0	98.0	- 0.1	+ 0.3	+ 0.7
Clothing industry	6.7	96.5	96.8	96.5	96.5	96.5	96.8	96.6	+ 0.3	- 0.8	- 0.2
Leather and footwear	1.6	96.0	96.3	97.4	97.4	97.4	97.0	97.3	+ 1.0	- 0.7	+ 1.2
Wood and wood products	1.8	97.8	98.5	97.6	97.6	97.6	97.6	97.6	- 0.2	- 0.5	- 0.9
Paper and cardboard	2.6	90.4	94.5	90.4	92.6	93.7	88.1	91.2	- 2.5	- 9.0	- 3.6
Printing and publishing	1.4	96.5	95.5	96.5	96.5	96.5	96.5	96.5	-	+ 4.6	+ 1.1
Oil refining	13.3	131.0	142.7	115.1	135.7	128.9	135.8	128.9	+ 3.7	- 6.6	- 9.7
Chemical industry	13.1	94.6	96.6	94.6	95.0	95.0	94.6	94.8	-	- 1.9	- 1.7
Rubber and plastic products	2.0	96.8	97.6	95.9	95.9	95.9	95.9	95.9	-0.9	-	-
Other non-metallic mineral products	5.9	106.2	104.9	106.1	106.1	106.4	106.4	106.3	+ 0.2	+ 1.4	+ 1.4
Basic metal industry	3.2	99.8	99.8	100.6	100.5	101.3	101.8	101.1	+ 2.0	- 1.3	+ 1.3
Metalworking	3.0	101.3	101.1	101.4	101.4	102.1	102.2	101.8	+ 0.9	+ 0.8	+ 0.7
Machinery and equipment	0.9	96.2	96.4	91.0	91.0	91.0	91.0	91.0	- 5.4	- 1.4	- 5.6
Electrical machinery and equipment.....	2.0	105.3	106.9	103.2	103.1	102.4	101.7	102.6	- 3.4	- 0.8	- 3.9
Radio, television and communication equipment	0.5	96.8	96.9	93.4	93.4	93.4	93.4	93.4	- 3.5	- 0.3	- 3.6
Medical, measuring and optical instruments and watch-making equipment.....	0.1	96.8	96.8	103.2	103.2	103.2	103.2	103.2	+ 6.6	-	-
Car industry.....	2.5	99.4	99.1	99.2	99.6	99.6	99.6	99.5	+ 0.2	+ 0.2	+ 0.4
Other transport equipment.....	0.1	92.4	92.8	92.4	93.9	93.9	93.9	93.5	+ 1.6	- 2.3	+ 0.9
Furniture and miscellaneous manufactures	0.9	102.7	101.7	102.7	102.7	102.7	102.7	102.7	-	+ 2.7	+ 0.1
Overall index.....	100	101.7	105.1	101.4	104.7	103.9	105.1	103.8	+ 3.3	- 1.8	- 1.3

(*) Prices excluding taxes and ex works.

Source : Department of Economic Estimates and Plan.

VI-3 - Indicators of employment and unemployment

(Population in thousands and rates in percentage)

	Urban areas			Rural areas			Total		
	2001	2002	Changes in absolute value	2001	2002	Changes in absolute value	2001	2002	Changes in absolute value
Total population	16 308	16 773	+ 465	12 863	12 859	- 4	29 171	29 632	+ 461
Population aged 15 years and over.....	11 807	12 231	+ 424	8 147	8 244	+ 97	19 954	20 475	+ 521
Labour force aged 15 years and over	5 433	5 558	+ 125	4 797	4 821	+ 24	10 230	10 379	+ 149
Of which : - Employed	4 372	4 541	+ 169	4 583	4 635	+ 52	8 954	9 176	+ 222
- Unemployed	1 061	1 017	- 44	214	186	- 28	1 275	1 203	- 72
Activity rate ⁽¹⁾	46.0	45.4	-0.6	58.9	58.5	-0.4	51.3	50.7	-0.6
Unemployment rate	19.5	18.3	-1.2	4.5	3.9	-0.6	12.5	11.6	-0.9
. By gender									
Men	18.0	16.6	-1.4	5.6	4.7	-0.9	12.5	11.3	-1.2
Women	24.7	24.2	-0.5	1.6	1.7	+ 0.1	12.5	12.5	0.0
. By age									
15 - 24 years	35.5	34.2	-1.3	7.2	6.2	-1.0	18.9	17.6	-1.3
25 - 34 years	28.0	26.2	-1.8	5.9	4.7	-1.2	19.2	17.7	-1.5
35 - 44 years	9.2	8.7	-0.5	2.3	2.2	-0.1	6.5	6.3	-0.2
45 years and over.....	3.5	3.2	-0.3	1.1	1.1	-	2.3	2.1	-0.2
. By diploma									
Without any diploma	11.8	10.4	-1.4	3.0	2.6	-0.4	6.4	5.6	-0.8
With diploma	26.8	25.6	-1.2	15.8	13.6	-2.2	25.0	23.7	-1.3

(1) Labour force aged 15 and over as a percentage of the total population aged 15 and over.

Source : Department of Economic Estimates and Plan.

VI-4 - Employment by branch of economic activity⁽¹⁾

(In thousands of person)

Branches of activity	Year		Change	
	2001	2002	in absolute value	in %
Agriculture, hunting and fishing	3 900	3 951	51	1.3
Industry (including handy craft)	1 169	1 231	62	5.3
Construction and public works	598	646	48	8.0
Commerce	1 155	1 180	25	2.2
Transport and communication	317	332	15	4.8
Administration and social services to the community	975	976	1	0.1
Other services.....	836	856	20	2.4
Other activities (unclassified)	5	4	-1	-16.8
Total	8 955	9 176	221	2.5

(1) Persons in employment aged 15 and over.

Source : Department of Economic Estimates and Plan.

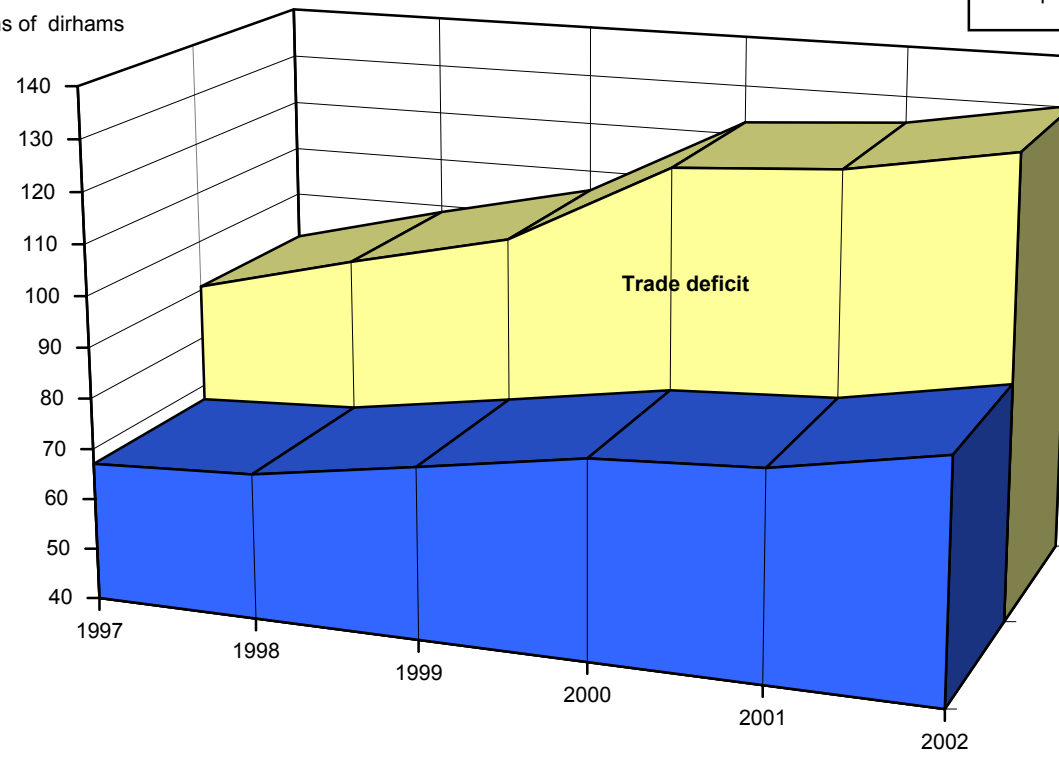
VII-1 - Structure of trade transactions⁽¹⁾

Percentage share of the different categories	Imports		Exports	
	2001	2002	2001	2002
Foodstuffs, beverages and tobacco.....	12.3	11.6	20.7	20.7
Energy and lubricants.....	17.6	15.5	4.2	2.8
Raw products.....	6.3	6.9	8.8	9.4
Semi-finished products.....	21.3	22.0	21.6	23.8
Finished products.....	42.4	44.0	44.7	43.3
. Capital goods.....	18.5	20.1	5.6	6.5
. Consumer goods.....	23.9	23.9	39.1	36.8
Total	100	100	100	100

(1) From 1998 onwards, foreign trade data include transactions carried out within the framework of the temporary admission without payment, as well at the total level as on the level of each product.

FOREIGN TRADE

In billions of dirhams



VII-2 - Major imports

Weight in thousands of tonnes Value in millions of dirhams	2001*		2002**		Changes			
	Weight	Value	Weight	Value	Weight		Value	
					Thousands of tonnes	%	Millions of dirhams	%
Foodstuffs, beverages and tobacco	6 612	15 402	6 606	15 144	- 6	-0.1	- 258	-1.7
Wheat	3 376	6 189	3 318	5 819	- 58	-1.7	- 370	-6.0
Maize	973	1 319	1 076	1 494	103	10.6	175	13.3
Barley	807	1 114	631	779	- 176	-21.8	- 335	-30.1
Sugar	512	1 535	574	1 592	62	12.1	57	3.7
Dairy products	54	977	62	976	8	14.8	- 1	-0.1
Tea	38	671	44	641	6	15.8	- 30	-4.5
Tobacco	10	734	10	703	-	-	- 31	-4.2
Other	842	2 863	891	3 140	49	5.8	277	9.7
Energy and lubricants	14 089	21 980	13 298	20 168	- 791	-5.6	-1 812	-8.2
Crude oil	7 259	14 488	6 390	12 861	- 869	-12.0	-1 627	-11.2
Refined petroleum products	1 694	4 790	1 816	4 993	122	7.2	203	4.2
Coal	5 136	2 340	5 092	2 129	- 44	-0.9	- 211	-9.0
Electricity	-	362	-	185	-	-	- 177	-48.9
Raw products	4 391	7 862	4 953	8 936	562	12.8	1 074	13.7
Vegetable oils	404	1 698	367	1 858	- 37	-9.2	160	9.4
Oil seeds	254	627	353	891	99	39.0	264	42.1
Timber	594	1 559	793	1 913	199	33.5	354	22.7
Textile fibers and cotton	90	1 273	93	1 183	3	3.3	- 90	-7.1
Sulfur	2 528	1 042	2 818	1 127	290	11.5	85	8.2
Other	521	1 663	529	1 964	8	1.5	301	18.1
Semi-finished products ⁽¹⁾	4 174	26 596	4 596	28 718	422	10.1	2 122	8.0
Chemical products	827	3 817	882	3 852	55	6.7	35	0.9
Dyes and disinfectants	31	1 052	35	1 061	4	12.9	9	0.9
Natural and chemical fertilizers	591	856	724	1 044	133	22.5	188	22.0
Iron and steel	898	2 034	1 029	2 454	131	14.6	420	20.6
Other metal working products.....	529	3 621	568	3 796	39	7.4	175	4.8
Plastic materials	307	3 189	345	3 353	38	12.4	164	5.1
Paper and cardboard	198	1 746	228	1 914	30	15.2	168	9.6
Fiber and cotton yarns.....	37	1 175	42	1 201	5	13.5	26	2.2
Other	756	9 106	743	10 043	- 13	-1.7	937	10.3
Capital goods agricultural equipment	17	885	21	998	4	23.5	113	12.8
Capital goods industrial equipment	271	22 195	353	25 208	82	30.3	3 013	13.6
Machines and miscellaneous equipment	31	4 746	36	4 908	5	16.1	162	3.4
Boilers.....	2	239	2	125	-	-	- 114	-47.7
Grinders	13	657	22	1 016	9	69.2	359	54.6
Textile machinery	6	685	6	662	-	-	- 23	-3.6
Equipment of extraction	15	404	19	504	4	26.7	100	24.8
Tools and machine tools	11	658	11	674	-	-	16	2.4
Aircraft and ships	1	40	27	1 760	26	-	1 720	-
Industrial vehicles	36	1 915	42	2 299	6	16.7	384	20.1
Electrical appliance of telephony.....	2	1 041	1	772	- 1	-50.0	- 269	-25.8
Telecommunications transmitters.....	3	1 042	-	298	- 3	-	- 744	-71.4
Wires and cables for electricity	13	785	16	931	3	23.1	146	18.6
Other	138	9 983	171	11 259	33	23.9	1 276	12.9
Consumer goods	435	29 798	488	31 205	53	12.2	1 407	4.7
Pharmaceutical products.....	4	1 653	4	1 846	-	-	193	11.7
Textile products	122	12 029	116	11 601	- 6	-4.9	- 428	-3.6
Plastic articles	28	1 223	35	1 465	7	25.0	242	19.8
Telecommunications receivers	12	2 380	16	2 609	4	33.3	229	9.6
Passenger cars	26	2 141	28	2 417	2	7.7	276	12.9
Spare parts	24	1 040	20	615	- 4	-16.7	- 425	-40.9
Other	219	9 332	269	10 652	50	22.8	1 320	14.1
Total.....	29 989	124 718	30 315	130 377	326	1.1	5 659	4.5

(1) Including industrial gold for an amount of 120 million dirhams in 2001 and 222 million in 2002.

(*) Revised.

(**) Preliminary.

Source : Foreign Exchange Office.

VII-3 - Major exports

Weight in thousands of tonnes Value in millions of dirhams	2001*		2002**		Changes			
	Weight	Value	Weight	Value	Weight		Value	
					Thousands of tonnes	%	Millions of dirhams	%
Foodstuffs, beverages and tobacco.....	1 541	16 691	1 444	17 954	-97	-6.3	1 263	7.6
Citrus fruits	431	2 083	408	2 092	-23	-5.3	9	0.4
Early vegetables	334	1 829	334	2 141	-	-	312	17.1
Crustaceans and molluscs	134	5 187	128	5 885	-6	-4.5	698	13.5
Fresh fish	55	1 443	46	1 358	-9	-16.4	-85	-5.9
Canned fish.....	109	2 587	106	2 794	-3	-2.8	207	8.0
Canned fruits and vegetables.....	91	1 195	89	1 222	-2	-2.2	27	2.3
Fish meal.....	76	439	23	149	-53	-69.7	-290	-66.1
Other	311	1 928	310	2 313	-1	-0.3	385	20.0
Energy and lubricants	1 900	3 406	1 191	2 427	-709	-37.3	-979	-28.7
Raw animal and vegetable products	121	1 394	190	1 702	69	57.0	308	22.1
Paper pulp	53	237	115	480	62	117.0	243	102.5
Plants and flowers	12	230	13	241	1	8.3	11	4.8
Agar-agar	1	206	1	198	-	-	-8	-3.9
Cork	10	112	10	97	-	-	-15	-13.4
Other	45	609	51	686	6	13.3	77	12.6
Raw mineral products	13 171	5 736	14 128	6 478	957	7.3	742	12.9
Phosphates	10 853	4 215	11 649	4 686	796	7.3	471	11.2
Zinc ore	187	409	325	564	138	73.8	155	37.9
Lead ore	123	175	50	147	-73	-59.3	-28	-16.0
Other ores.....	2 008	937	2 104	1 081	96	4.8	144	15.4
Semi-finished products ⁽¹⁾	4 585	17 433	4 846	20 621	261	5.7	3 188	18.3
Phosphoric acid	1 558	5 076	1 702	5 794	144	9.2	718	14.1
Natural and chemical fertilizers	2 452	3 947	2 195	3 676	-257	-10.5	-271	-6.9
Electronic devices (transistors)	3	4 302	3	5 404	-	-	1 102	25.6
Unwrought lead and silver	53	735	72	992	19	35.8	257	35.0
Hides and skins	4	316	1	221	-3	-75.0	-95	-30.1
Iron sheets	28	154	84	373	56	200.0	219	142.2
Other	487	2 903	789	4 161	302	62.0	1 258	43.3
Capital goods	47	4 506	88	5 606	41	87.2	1 100	24.4
Tyres	3	101	5	155	2	66.7	54	53.5
Electronic under-systems	1	386	1	496	-	-	110	28.5
Wires and cables for electricity	18	2 552	25	3 370	7	38.9	818	32.1
Other	25	1 467	57	1 585	32	128.0	118	8.1
Consumer goods	249	31 501	240	31 849	-9	-3.6	348	1.1
Clothing	85	17 202	82	18 298	-3	-3.5	1 096	6.4
Hosiery	53	8 900	53	7 903	-	-	-997	-11.2
Shoes	10	1 329	10	1 356	-	-	27	2.0
Carpets	3	179	2	133	-1	-33.3	-46	-25.7
Fiber and cotton fabrics	9	686	7	612	-2	-22.2	-74	-10.8
Other	89	3 205	86	3 547	-3	-3.4	342	10.7
Total.....	21 614	80 667	22 127	86 637	513	2.4	5 970	7.4

(1) Including industrial gold for an amount of 131 million dirhams in 2001 and 292 million in 2002.

(*) Revised.

(**) Preliminary.

Source : Foreign Exchange Office.

VII-4 - Geographical distribution of foreign trade

(in millions of dirhams)

	Imports		Exports		Balances	
	C.I.F.		F.O.B.			
	2001	2002	2001	2002	2001	2002
EUROPE	81 349	84 881	61 840	65 835	-19 509	-19 046
European Union	70 603	73 382	59 431	62 639	-11 172	-10 743
France	31 232	26 851	27 158	28 283	- 4 074	+ 1 432
Spain	11 915	15 143	11 816	13 597	- 99	- 1 546
Germany	6 422	6 854	3 796	3 609	- 2 626	- 3 245
Italy	6 454	7 481	4 619	4 700	- 1 835	- 2 781
Great Britain.....	7 124	6 972	6 856	7 043	- 268	+ 71
Netherlands	2 007	2 156	1 713	1 936	- 294	- 220
Belgium-Luxembourg Economic Union ..	1 822	2 676	2 042	1 833	+ 220	- 843
Other E.U. countries	3 628	5 249	1 431	1 638	- 2 196	- 3 611
Other european countries.....	10 746	11 499	2 409	3 196	- 8 337	- 8 303
Russia	4 197	3 923	609	661	- 3 589	- 3 262
ASIA	23 750	25 098	8 722	9 399	-15 028	-15 699
Middle East Arab countries	11 152	11 383	1 424	1 179	- 9 728	-10 204
Other Asian countries	12 598	13 715	7 298	8 220	- 5 300	- 5 495
Japan	1 885	2 287	2 396	3 025	+ 511	+ 738
India	756	957	2 762	3 220	+ 2 006	+ 2 263
Iran	3 185	3 191	289	299	- 2 896	- 2 892
China	3 146	3 754	391	287	- 2 755	- 3 467
Other	3 627	3 526	1461	1 389	- 2 166	- 2 137
AMERICA	12 354	12 723	5 233	5 860	- 7 121	- 6 863
United States	4 608	5 617	3 126	2 822	- 1 482	- 2 795
Canada	2 546	1 765	335	347	- 2 211	- 1 418
Brazil	3 065	3 341	906	1633	- 2 159	- 1 708
Mexico	84	127	487	627	+ 403	+ 500
Other	2 051	1 873	380	431	- 1 671	- 1 442
AFRICA	6 805	6 733	3 425	4 384	- 3 380	- 2 349
Maghreb-Arab Union countries	3 473	3 349	1 803	1 780	- 1 670	- 1 569
Algeria	2 184	1 759	98	239	- 2 086	- 1 520
Tunisia	511	607	596	541	+ 85	- 66
Libya	778	977	913	741	135	- 236
Mauritania	-	6	196	259	+ 196	+ 253
Other	3 332	3 384	1 622	2 604	- 1 710	- 780
OCEANIA and other	460	942	1 447	1 159	+ 987	+ 217
Total	124 718	130 377	80 667	86 637	-44 051	-43 740

Source : Foreign Exchange Office.

VIII-1 - Balance of payments

(in millions of dirhams)

	2001*			2002**		
	Credit	Debit	Net	Credit	Debit	Net
A. CURRENT ACCOUNT	171 489.8	153 280.4	+ 18 209.4	176 720.5	160 270.0	+ 16 450.5
Goods	80 723.8	114 880.6	- 34 156.8	86 637.1	120 098.3	- 33 461.2
- General merchandise	52 759.9	96 430.6	- 43 670.7	56 261.5	101 541.4	- 45 279.9
- Goods for processing	27 553.6	18 346.5	+ 9 207.1	29 990.4	18 469.6	+ 11 520.8
- Goods procured in ports by carriers	410.3	103.5	+ 306.8	385.2	87.3	+ 297.9
Services	45 539.9	23 945.6	+ 21 594.3	47 979.4	26 610.7	+ 21 368.7
- Transportation	7 455.8	8 844.8	- 1 389.0	8 601.3	9 445.9	- 844.6
- Travel	29 195.8	4 399.9	+ 24 795.9	29 158.4	4 896.7	+ 24 261.7
- Communication services	1 908.7	193.9	+ 1 714.8	2 550.8	215.0	+ 2 335.8
- Insurance services	331.7	428.7	- 97.0	313.1	501.7	- 188.6
- Royalties and license fees	249.6	2 898.1	- 2 648.5	122.5	446.8	- 324.3
- Other business services	3 659.4	2 504.1	+ 1 155.3	4 351.3	5 476.7	- 1 125.4
- Government services. n.i.e.	2 738.9	4 676.1	- 1 937.2	2 882.0	5 627.9	- 2 745.9
Income	3 684.7	13 096.5	- 9 411.8	4 152.0	12 288.9	- 8 136.9
- Private investment income	154.9	4 548.3	- 4 393.4	102.0	5 327.8	- 5 225.8
- Income on public investment and debt	3 529.8	8 548.2	- 5 018.4	4 050.0	6 961.1	- 2 911.1
Unrequited transfers	41 541.4	1 357.7	+ 40 183.7	37 952.0	1 272.1	+ 36 679.9
- Public	734.7	509.7	+ 225.0	1 665.8	484.8	+ 1 181.0
- Private	40 806.7	848.0	+ 39 958.7	36 286.2	787.3	+ 35 498.9
B. CAPITAL AND FINANCIAL ACCOUNT...	46 158.1	23 533.0	+ 22 625.1	17 757.9	26 233.9	- 8 476.0
1. Capital account	-	101.1	- 101.1	-	66.8	- 66.8
Transfers of capital	-	101.1	- 101.1	-	66.8	- 66.8
2. Financial account	46 158.1	23 431.9	+ 22 726.2	17 757.9	26 167.1	- 8 409.2
Private sector	38 004.7	4 007.7	+ 33 997.0	10 168.1	4 425.6	+ 5 742.5
- Commercial credits	3 597.3	-	+ 3 597.3	3 541.6	-	+ 3 541.6
- Loans and investment	33 296.4	4 007.7	+ 29 288.7	6 626.5	4 425.6	+ 2 200.9
- Other	1 111.0	-	+ 1 111.0	-	-	-
Public sector	7 093.1	19 298.2	- 12 205.1	7 348.3	21 330.1	- 13 981.8
- Loans	7 093.1	19 298.2	- 12 205.1	7 348.3	21 330.1	- 13 981.8
Other	1 060.3	126.0	+ 934.3	241.5	411.4	- 169.9
C. STATISTICAL DISCREPANCY	2 656.8	-	+ 2 656.8	-	946.1	-946.1
TOTAL	220 304.7	176 813.4	+ 43 491.3	194 478.4	187 450.0	+ 7 028.4

n.i.e. : not included elsewhere.

(*) Revised.

(**) Preliminary.

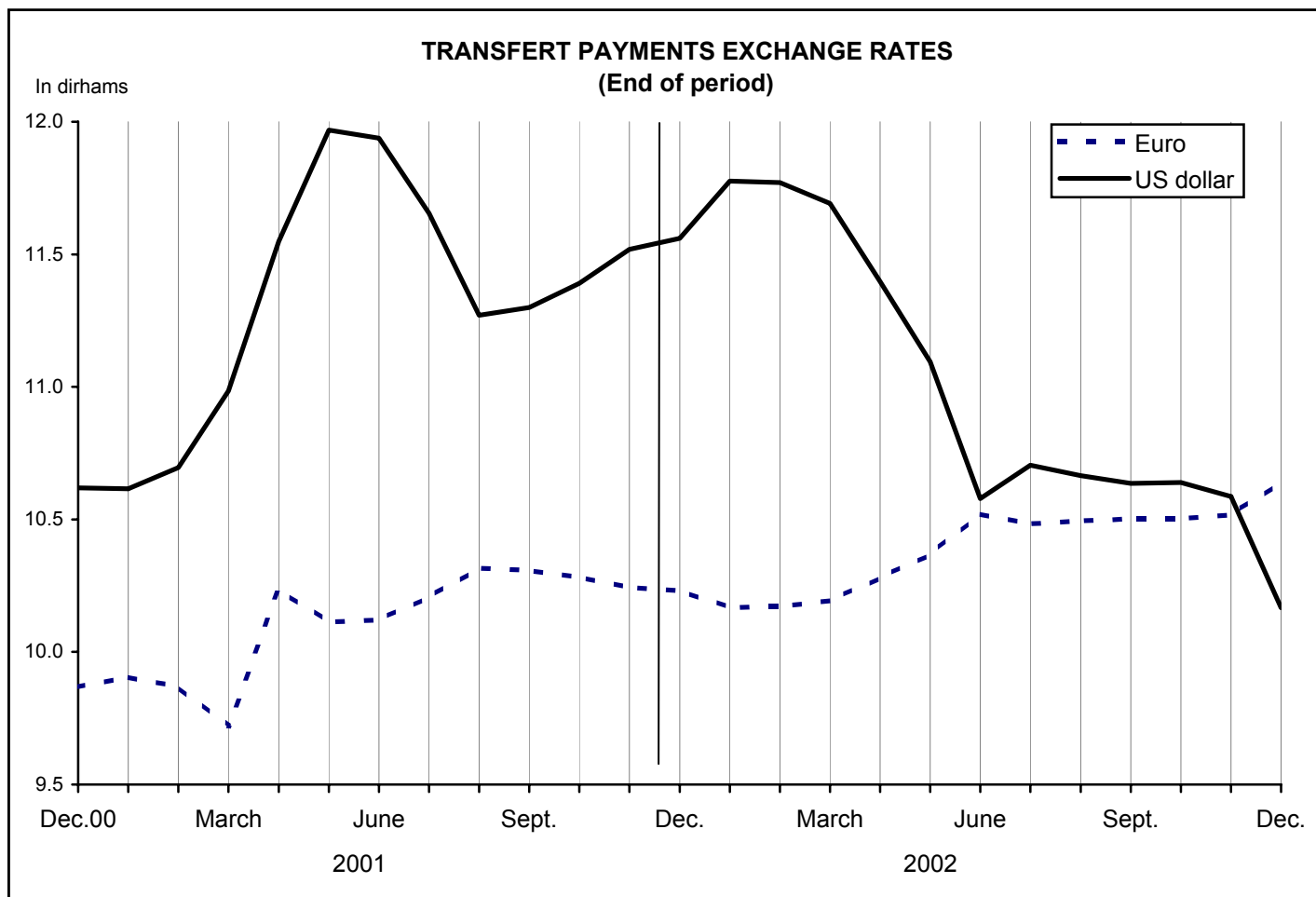
Source : Foreign Exchange Office.

IX-1 - Main foreign exchange rates quoted by the Bank Al-Maghrib

- Rates of the transfer payments -

End of period		2001		2002												
		Annual average	December	January	February	March	April	May	June	July	August	September	October	November	December	Annual average
1 Euro - EUR	Buying rate	10.1080	10.2010	10.1380	10.1400	10.1630	10.2490	10.3370	10.4880	10.4510	10.4630	10.4710	10.4700	10.4860	10.6080	10.3903
	Selling rate		10.2620	10.1990	10.2010	10.2240	10.3100	10.3990	10.5510	10.5140	10.5250	10.5340	10.5330	10.5490	10.6720	
1 U.S. dollar - USD	Buying rate	11.303	11.525	11.741	11.735	11.656	11.363	11.062	10.547	10.673	10.633	10.604	10.607	10.555	10.136	11.021
	Selling rate		11.595	11.811	11.806	11.727	11.432	11.128	10.61	10.737	10.697	10.667	10.671	10.618	10.197	
1 Canadian dollar - CAD	Buying rate	7.3015	7.2464	7.4041	7.3154	7.3104	7.2477	7.2357	7.0042	6.7758	6.8297	6.7227	6.7699	6.7133	6.4212	7.0194
	Selling rate		7.2899	7.4486	7.3594	7.3544	7.2913	7.2792	7.0463	6.8166	6.8708	6.7631	6.8105	6.7537	6.4598	
1 Pound sterling - GBP	Buying rate	16.262	16.697	16.596	16.605	16.586	16.560	16.164	16.154	16.680	16.469	16.637	16.543	16.39	16.306	16.525
	Selling rate		16.798	16.969	16.705	16.686	16.660	16.261	16.251	16.780	16.568	16.737	16.643	16.489	16.404	
1 Swiss franc - CHF	Buying rate	6.6952	6.8940	6.8759	6.8727	6.9264	7.0203	7.0567	7.1263	7.1881	7.1225	7.1787	7.1582	7.1035	7.3062	7.0427
	Selling rate		6.9354	6.9172	6.9140	6.9681	7.0624	7.0991	7.1691	7.2313	7.1653	7.2219	7.2012	7.1461	7.3501	
100 Japanese yens - GPY	Buying rate	9.3018	8.7742	8.8173	8.7529	8.806	8.8593	8.8937	8.8835	8.8974	8.9872	8.7414	8.6556	8.615	8.5445	8.7988
	Selling rate		8.8270	8.8703	8.8055	8.8589	8.9125	8.9472	8.9368	8.9509	9.0412	8.7939	8.7076	8.6668	8.5958	

Source : Bank Al-Maghrib.



X-1 - Treasury revenue and expenditure

(in millions of dirhams)

	January - December 2001*	January - December 2002
I. CURRENT REVENUE	118 964	98 882
Fiscal revenue	84 235	87 666
Direct taxes	28 162	30 377
Customs duties	12 350	12 233
Indirect taxes	39 177	40 057
Registration fees and stamp duties.....	4 546	4 999
Unusual revenue	-	-
Non-fiscal revenue	31 810	7 862
State monopolies	4 904	4 244
Government property	168	141
Miscellaneous revenues.....	3 341	2 856
Privatization	23 397	621
Receipts of certain special accounts	2 919	3 354
II. EXPENDITURE	129 005	115 932
Current expenditure	92 612	90 491
Administrative expenses.....	66 534	69 033
Of which : Personnel expenses	(47 998)	(48 580)
Interest on the public debt	18 754	17 411
. Domestic.....	(12 846)	(13 174)
. Foreign	(5 908)	(4 237)
Subsidies for consumption	7 324	4 047
CURRENT ACCOUNT BALANCE.....	+26 352	+8 391
Capital expenditure.....	21 253	20 253
Special accounts balance	- 4 527	- 5 068
Hassan II Fund	10 613	120
BUDGET DEFICIT.....	- 10 041	- 17 050
As a % of GDP	(2.6)	(4.3)
III. CHANGE IN ARREARS	- 8 796	- 231
FINANCING REQUIREMENT (I-II+III)	- 18 837	- 17 281
NET FINANCING	18 837	17 281
Foreign financing.....	- 9 861	- 11 199
Foreign borrowing	3 342	4 484
Amortization	- 13 203	- 15 683
Domestic financing.....	28 698	28 480
Bank financing.....	- 7 795	2 632
Bank Al-Maghrib (**)	(- 19 227) ⁽¹⁾	(- 1 140)
Banks	(11 432)	(3 772)
Non bank financing.....	36 493	25 848
On the capital market	18 860	12 808
Monetary deposits with the Treasury and the Postal cheque centre	113	73
Other deposits.....	17 520 ⁽¹⁾	12 967

(*) Revised.

(**) Excluding cheques held in discount.

(1) Including a 10 billion dirhams deposit made in respect of the Hassan II Fund for Economic and Social Development.

Sources : Ministry of Finance and Privatization.

Bank Al-Maghrib.

X-2 - Treasury current revenue

(in millions of dirhams)

	January - December 2001	January - December 2002	Percentage change
FISCAL REVENUE	84 235	87 666	+ 4.1
Direct taxes	28 162	30 377	+ 7.9
Corporation tax	11 697	12 914	+ 10.4
General income tax	15 338	16 353	+ 6.6
National solidarity tax	285	152	- 46.7
Other direct taxes	842	958	+ 13.8
Custom duties	12 350	12 233	- 0.9
Import duties	12 308	12 193	- 0.9
Fiscal import levy	9	-	-
Other customs duties	33	40	+ 21.2
Indirect taxes	39 177	40 057	+ 2.2
Value added tax (V.A.T)	23 298	23 952	+ 2.8
- Domestic	(10 482)	(10 751)	+ 2.6
- Imports	(12 816)	(13 201)	+ 3.0
Domestic taxes on consumption	15 879	16 105	+ 1.4
- Petroleum products	(9 239)	(9 308)	+ 0.7
- Tobacco products	(5 627)	(5 801)	+ 3.1
- Other domestic taxes	(1 013)	(996)	- 1.7
Registration fees and stamp duties	4 546	4 999	+ 10.0
NON-FISCAL REVENUE	31 810	7 862	- 75.3
Monopolies	4 904	4 244	- 13.5
Government property	168	141	- 16.1
Miscellaneous revenues.....	3 341	2 856	- 14.5
Privatization	23 397	621	- 97.3
RECEIPTS OF CERTAIN SPECIAL ACCOUNTS	2 919	3 354	+ 14.9
TOTAL CURRENT REVENUE	118 964	98 882	- 16.9

Source : Ministry of Finance and Privatization.

X-3 - Estimated general budget expenditure

(in millions of dirhams)

	Finance Act second half 2000	Finance Act 2001	Finance Act 2002
Administrative expenses	33 617	74 879	75 442
. Personnel	21 927	45 219	51 163
. Material and supplies.....	5 680	12 770	12 924
. Common expenses.....	3 540	11 200	8 705
Of which : Subsidies for consumption	(1 000)	(5 705)	(2 705)
. Contingencies	2 470	5 690	2 650
Public debt service	18 588	42 226	46 708
. Domestic.....	10 143	27 293	31 812
. Foreign.....	8 445	14 933	14 896
Capital expenditure	12 929	21 695	19 925
Total general budget expenditure	65 134	138 800	142 075

Source : Ministry of Finance and Privatization.

X-4 - Estimated general budget revenue

(in millions of dirhams)

	Finance Act second half 2000	Finance Act 2001	Finance Act 2002
Fiscal revenue	35 509	76 993	79 734
- Direct taxes	11 630	27 624	28 899
- Customs duties	6 177	13 356	13 609
- Indirect taxes	16 033	31 587	32 564
Of which : Petroleum products taxes.....	(5 125)	(9 400)	(9 178)
- Registration fees and stamp duties	1 669	4 426	4 662
Non-fiscal revenue	14 373	28 830	20 113
- Government property	10 367	5 638	5 996
- State monopolies	69	157	171
- Other income	547	1 014	954
- Income carried in from adjusted expenditure	540	721	492
- Privatization	2 850	21 300	12 500
Loans revenue	10 492	34 517	36 249
- Foreign	2 492	6 517	6 800
- Domestic	8 000	28 000	29 449
Total general budget revenue	60 374	140 340	136 096

Source : Ministry of Finance and Privatization.

XI-1 - Bank liquidity developments

(in millions of dirhams)	Dec-2001	Monthly changes 2002 (1)											
	Outstanding amounts	January	February	March	April	May	June	July	August	September	October	November	December
"Central bank" money⁽²⁾	101 284	+ 1 378	- 443	-2 237	-1 587	+ 1 809	+ 1 262	+ 77	- 4 161	+ 193	+ 1 400	+ 1 274	- 4 035
- Notes and coin in circulation	68 504	- 541	- 493	+ 215	+ 708	- 27	+ 7	-2 652	-3 670	+ 996	+ 733	+ 255	- 126
- Accounts of banks ⁽³⁾	14 662	- 425	+ 456	- 449	+ 105	+ 558	- 668	+ 1 374	-2 418	+ 1 210	- 503	- 649	- 4 069
- Accounts of the Treasury ⁽⁴⁾	11 518	+ 1 517	- 273	-1 025	-2 317	+ 1 017	- 181	+ 450	+ 1 677	-2 085	+ 1 088	+ 1 437	+ 96
- Accounts of banks held in foreign currency.....	4 093	+ 684	- 201	- 371	+ 237	- 23	+ 2 050	+ 718	+ 204	+ 109	+ 168	+ 212	+ 162
- Other	2 507	+ 143	+ 68	- 607	- 320	+ 284	+ 54	+ 187	+ 46	- 37	- 86	+ 19	- 98
Bank Al-Maghrib's net foreign exchange holdings	97 716	- 1 245	- 291	+ 1 622	+ 301	+ 1 320	- 590	- 728	+ 3 823	+ 1 768	- 443	- 997	+ 1 179
Bank Al-Maghrib's claims on the Treasury.....	5 870	+ 2 488	- 740	-1 021	- 761	+ 258	- 254	+ 50	+ 265	- 237	- 102	+ 247	- 118
Miscellaneous claims of the Bank Al-Maghrib	8 375	+ 20	+ 73	- 22	- 16	- 13	+ 52	+ 119	+ 90	+ 104	- 13	+ 67	+ 257
Other factors	- 9 129	+ 249	- 535	- 198	+ 461	+ 398	- 288	- 268	- 726	- 70	+ 84	- 417	- 684
Total	- 1 548	+ 2 890	- 1 936	- 1 856	- 1 602	+ 3 772	+ 182	- 750	- 709	+ 1 758	+ 926	+ 174	- 3 401
Bank Al-Maghrib money													
market interventions⁽⁵⁾	- 1 548	- 2 890	+ 1 936	+ 1 856	+ 1 602	- 3 772	- 182	+ 750	+ 709	- 1 758	- 926	- 174	+ 3 401
- Calls for tenders	-	-	-	-	-	-	-	-	-	-	-	-	-
- 5 - day advances	153	- 153	-	-	+ 537	- 537	-	-	-	-	-	-	-
- 24 - hour advances	11	- 7	+ 19	- 22	-	+ 32	- 32	-	- 1	+ 2	- 1	+ 1	+ 1
- Open market ⁽⁶⁾	-	-	-	+ 63	+ 480	- 462	- 80	-	-	-	-	-	-
- Liquidity withdrawals ⁽⁷⁾	- 1 712	- 2 730	+ 1 917	+ 1 815	+ 585	- 2 805	- 70	+ 750	+ 710	- 1 760	- 925	- 175	+ 3 400

(1) Month-end to month-end outstanding amounts changes.

(2) The plus sign indicates an expansive effect on bank liquidity and the minus sign a restrictive effect.

(3) Banks holdings are constituted almost exclusively by monetary reserve.

(4) Including the credit balance of the Hassan II Fund for Economic and Social Development account.

(5) The plus sign indicates an injection of liquidity and the minus sign a mop up of liquidity.

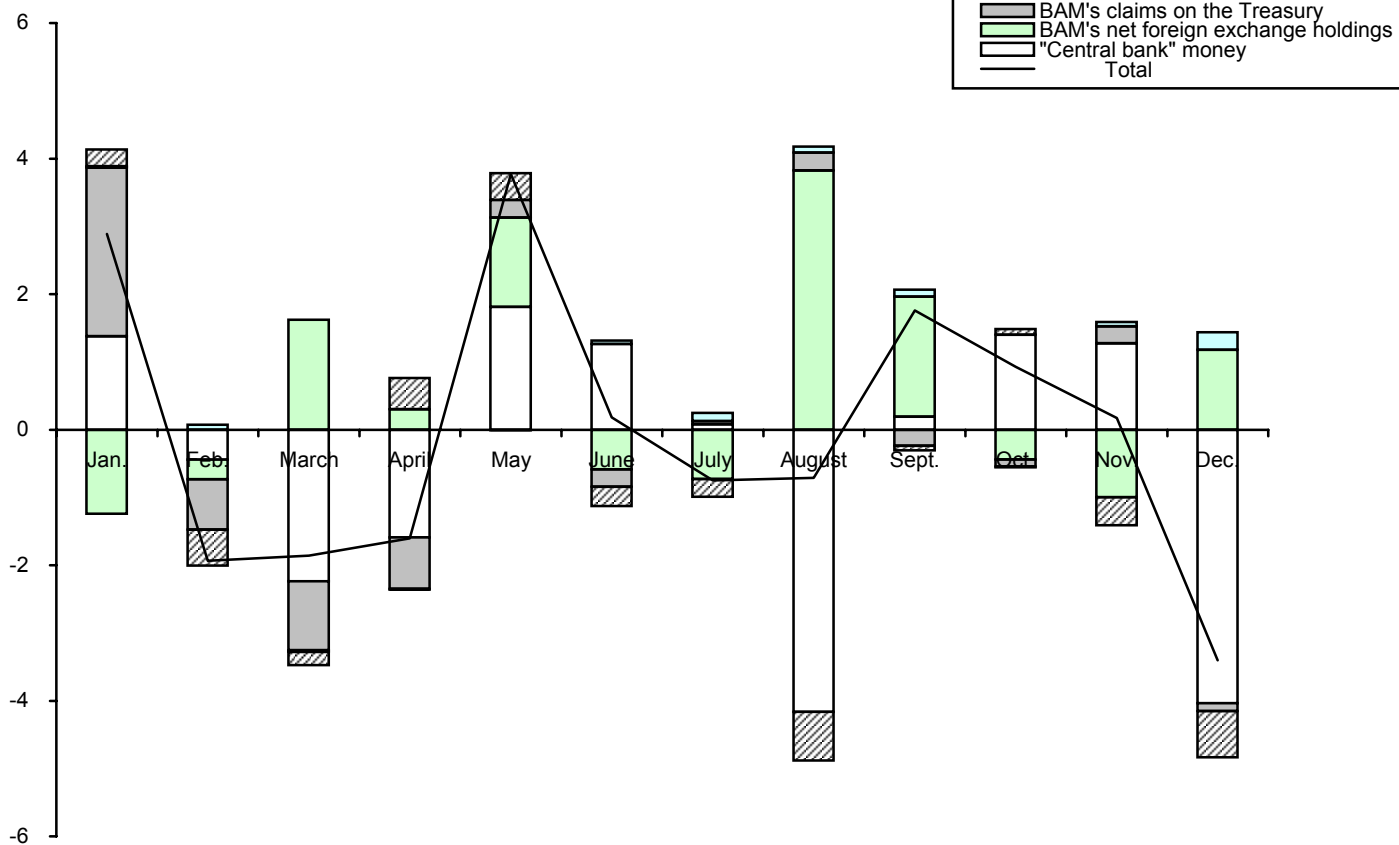
(6) Purchase (+) and sale (-) of Treasury bills on the secondary market.

(7) The minus sign indicates a liquidity withdrawal and the plus sign a remittance of liquidity.

Source : Bank Al-Maghrib.

**MONTHLY IMPACT OF AUTONOMOUS
BANK-LIQUIDITY FACTORS
(average)
Year 2002**

In billions of dirhams



XI-2 - Bank Al-Maghrib's interventions on the money market

(in millions of dirhams)

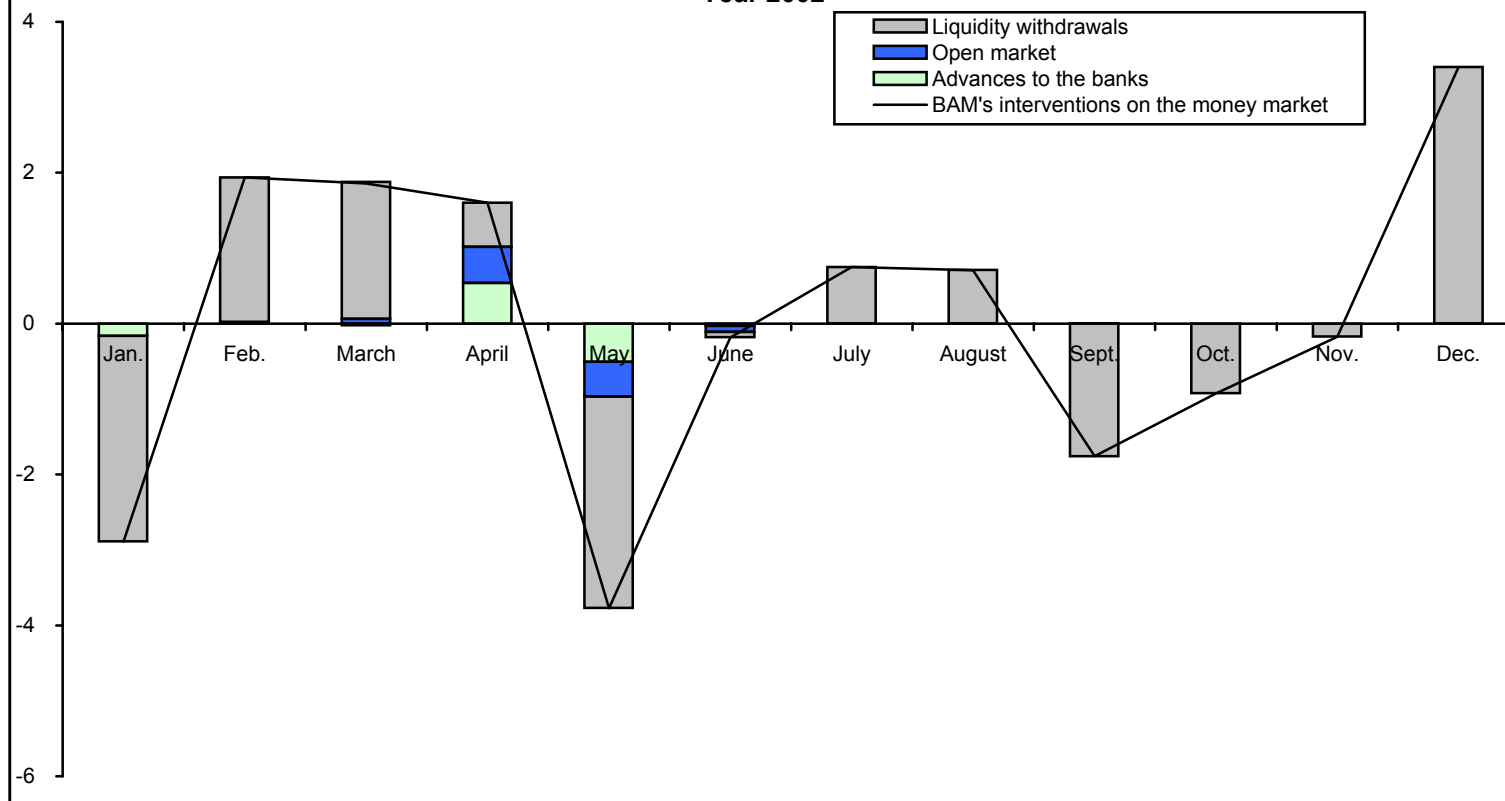
2002 Daily average of the week	Calls for tenders	5 - day advances	24 - hour advances		Open Market	Liquidity with- drawals	Total
			On banks' initiative	To cover a debit balance			
1 to 2 January 2002	-	-	-	7	-	-3 429	-3 422
3 to 9 January	-	-	-	7	-	-4 587	-4 580
10 to 16 January	-	-	-	1	-	-4 157	-4 156
17 to 23 January	-	-	-	9	-	-3 967	-3 958
24 to 30 January	-	-	-	4	-	-4 471	-4 467
31 January to 6 February	-	-	-	2	-	-3 481	-3 479
7 to 13 February	-	-	-	15	-	-2 017	-2 002
14 to 20 February	-	-	-	27	-	-1 214	-1 187
21 to 27 February	-	-	-	2	-	-1 291	-1 289
28 February to 6 March	-	-	-	1	-	-1 143	-1 142
7 to 13 March	-	-	-	1	-	- 336	- 335
14 to 20 March	-	-	23	22	19	- 200	- 136
21 to 27 March	-	-	-	5	-19	- 957	- 971
28 March to 3 April	-	410	173	34	107	- 171	553
4 to 10 April	-	976	-	3	-39	- 71	869
11 to 17 April	-	-	-	1	-	- 257	- 256
18 to 24 April	-	314	-	1	-38	-	277
25 April to 1 May	-	-	-	2	-	- 257	- 255
2 to 8 May	-	-	-	2	-28	-3 086	-3 112
9 to 15 May	-	-	4	1	-	-3 143	-3 138
16 to 22 May	-	-	21	3	-	-1 714	-1 690
23 to 29 May	-	-	83	2	-	-2 500	-2 415
30 May to 5 June	-	-	19	-	-	-3 000	-2 981
6 to 12 June	-	-	-	3	-	-3 000	-2 997
13 to 19 June	-	-	-	1	-	-3 000	-2 999
20 to 26 June	-	-	-	-	-	-3 000	-3 000
27 June to 3 July	-	-	-	5	-	-3 000	-2 995
4 to 10 July	-	-	-	1	-	-3 000	-2 999
11 to 17 July	-	-	59	-	-	-3 000	-2 941
18 to 24 July	-	-	1	1	-	-1 500	-1 498
25 to 31 July	-	-	-	3	-	-1 500	-1 497
1 to 7 August	-	-	-	1	-	-	1
8 to 14 August	-	-	-	-	-	-3 000	-3 000
15 to 21 August	-	-	-	-	-	-1 429	-1 429
22 to 28 August	-	-	-	2	-	- 500	- 498
29 August to 4 September	-	-	-	-	-	-1 700	-1 700
5 to 11 September	-	-	-	2	-	-1 700	-1 698
12 to 18 September	-	-	-	1	-	-3 143	-3 142
19 to 25 September	-	-	-	1	-	-4 000	-3 999
26 September to 2 October	-	-	-	2	-	-4 500	-4 498
3 to 9 October	-	-	-	1	-	-4 500	-4 499
10 to 16 October	-	-	-	3	-	-4 000	-3 997
17 to 23 October	-	-	-	-	-	-3 400	-3 400
24 to 30 October	-	-	-	2	-	-5 000	-4 998
31 October to 6 November	-	-	-	1	-	-5 000	-4 999
7 to 13 November	-	-	2	2	-	-5 000	-4 996
14 to 20 November	-	-	-	6	-	-4 300	-4 294
21 to 27 November	-	-	-	6	-	-3 500	-3 494
28 November to 4 December	-	-	-	10	-	-3 500	-3 490
5 to 11 December	-	-	-	8	-	-2 000	-1 992
12 to 18 December	-	-	-	1	-	-2 000	-1 999
19 to 25 December	-	-	-	6	-	-	6
26 to 31 December 2002	-	-	-	-	-	-	0
Average	-	32	7	4	0,04	-2 426	-2 383

Source : Bank Al-Maghrib.

BANK AL-MAGHRIB'S MONTHLY INTERVENTIONS ON THE MONEY MARKET

(average)
Year 2002

In billions of dirhams



XI-3 - Money market rates

(Per cent per annum)

2002	Bank Al-Maghrib					Interbank market	
	7 days (Calls for tenders)	5 days	24 hours		Liquidity with drawals (1)	Monthly average	Month end
			On bank's initiative	To cover a debit			
January	4.25	5.25	9.25	11.25	3.00	2.96	2.82
February	4.25	5.25	9.25	11.25	3.00	3.13	3.17
March	3.75 ⁽²⁾	4.75 ⁽²⁾	8.75 ⁽²⁾	10.75 ⁽²⁾	3.00	3.21	1.94
April	3.75	4.75	8.75	10.75	3.00	3.60	3.03
May	3.75	4.75	8.75	10.75	2.5-3.00 ⁽³⁾	2.98	3.15
June	3.75	4.75	8.75	10.75	2.50	2.84	2.46
July	3.75	4.75	8.75	10.75	2.50	2.83	3.59
August	3.75	4.75	8.75	10.75	2.50	2.77	2.65
September	3.75	4.75	8.75	10.75	2.50	3.09	3.64
October	3.75	4.75	8.75	10.75	2.50	2.77	2.46
November	3.75	4.75	8.75	10.75	2.50	2.72	3.14
December	3.25 ⁽⁵⁾	4.25 ⁽⁵⁾	8.25 ⁽⁵⁾	10.25 ⁽⁵⁾	2.50 ⁽⁴⁾	2.94	3.29

(1) Deposit with the Bank Al-Maghrib or intervention of the Bank Al-Maghrib on the interbank money market.

(2) From 19 March 2002.

(3) From 13 May 2002.

(4) The liquidity with drawals were suspended as from 19 December 2002.

(5) From 26 December 2002.

Source : Bank Al-Maghrib.

XI-4 - Interest rates of deposits with banks

(Per cent per annum)

Deposits with banks	2001		2002	
	January - june	July - december	January - june	July - december
	not remunerated	not remunerated	not remunerated	not remunerated
Sight deposits	not remunerated	not remunerated	not remunerated	not remunerated
Savings accounts ⁽¹⁾	5.11 (minimum)	4.72 (minimum)	3.95 (minimum)	3.42 (minimum)
Other accounts	Free rate	Free rate	Free rate	Free rate

(1) The minimum rate on savings accounts is equal to the weighted average rate of the 52-week, Treasury bills issued by tender during the previous half-year, minus 100 basis points (Since July 1999).

Source : Bank Al-Maghrib.

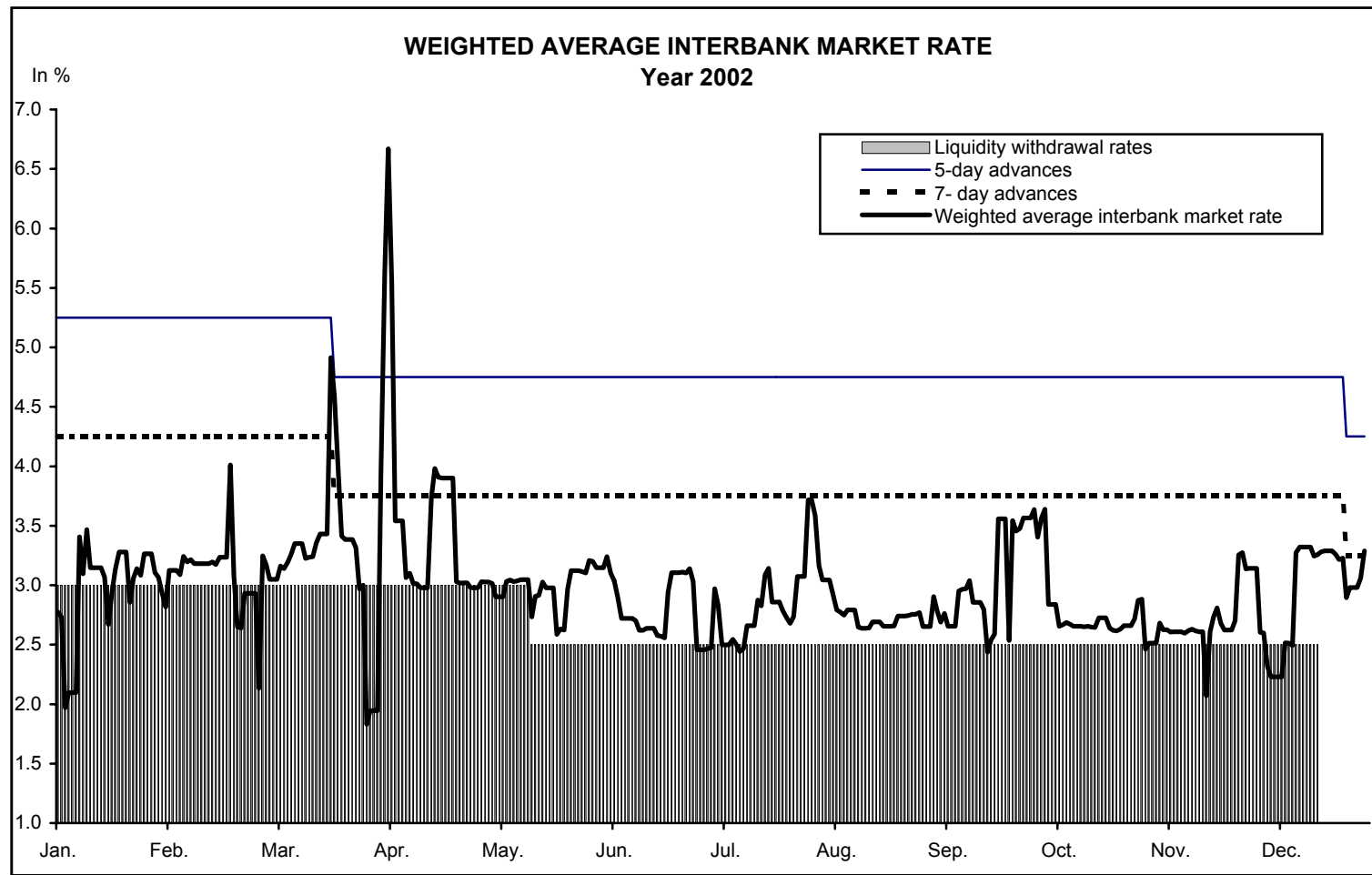
XI-5 - Interest rates of deposits with the National Savings Fund

(Per cent per annum)

Period	January - June 2001	July - Dec. 2001	Jan. - June 2002	July - Dec. 2002
National Savings Fund ⁽¹⁾	3.95	3.75	3.70	3.50

(1) The interest rate on deposits with the National Savings Fund is equal to the average rate of the 5-year Treasury bonds, issued by tender during the previous half-year, minus 250 basis points (Since January 1998).

Source : Bank Al-Maghrib.



**XI-6 - Weighted average interest rate of time accounts
and fixed-term bills**
(Per cent per annum)

2002	6-month deposits weighted average rate	12- month deposits weighted average rate	6 and 12- month deposits weighted average
January	4.28	4.77	4.55
February	4.43	4.78	4.61
March	4.62	4.81	4.71
April	4.31	4.87	4.60
May	4.20	4.66	4.43
June	3.41	4.53	3.92
July	4.14	4.49	4.34
August	4.10	4.52	4.41
September	4.07	4.58	4.42
October	3.94	4.38	4.19
November	3.61	4.03	3.85
December	3.59	4.11	3.88

Source : Bank Al-Maghrib.

XI-7 - Interest rates of Treasury bills ⁽¹⁾
(Per cent per annum)

Period	July - Dec. 2001	Jan. - July 2002	July - Sept. 2002	Oct. - Dec. 2002
- 6 months	6.10	5.10	3.90 ⁽²⁾	3.30

(1) Permanent issue.

(2) As from July 2002, the interest rate on 6-month Treasury bills issued to the public is equal to the average rate of 26-week Treasury bills issued by tender the previous quarter plus 25 basis points.

Source : Bank Al-Maghrib.

XI-8 - Weighted average rates of Treasury bills issued by tender
(Per cent per annum)

Maturities Years	13-week bills	26-week bills	52-week bills	2-year bills	5-year bills	10-year bills	15-year bills	20-year bills
2001								
January	5.80	6.05	6.36	6.88	7.00	-	-	-
February	-	5.80	6.16	6.53	6.75	6.99	-	-
March	5.25	5.35	5.58	5.85	6.13	6.61	7.09	-
April	4.90	5.00	5.19	5.76	5.86	6.44	7.04	-
May	4.68	4.76	4.99	5.22	5.84	-	-	-
June	4.57	4.69	4.92	5.19	-	-	-	-
July	4.47	4.61	4.91	5.20	-	-	-	-
August	4.50	4.81	4.97	-	-	-	-	-
September	-	4.86	4.99	-	6.13	-	-	-
October	4.58	4.89	5.10	-	6.21	6.76	-	-
November	-	4.75	4.98	5.48	6.21	-	-	-
December	-	-	4.64	5.30	6.18	6.74	7.13	-
2002								
January	-	4.28	4.61	5.28	6.20	6.76	-	-
February	-	-	4.53	5.24	6.20	6.70	7.15	-
March	-	-	4.50	5.16	6.15	-	7.15	-
April	3.80	3.95	4.05	4.85	5.98	6.63	7.10	-
May	-	-	3.94	4.70	5.89	6.59	7.09	-
June	3.15	3.45	3.56	4.47	5.67	6.53	7.05	-
July	-	3.10	3.28	4.31	5.48	6.40	6.98	-
August	3.00	3.05	3.27	4.31	5.48	6.41	7.01	-
September	-	3.04	3.24	4.31	5.34	6.40	7.01	-
October	-	-	2.83	3.92	5.07	6.17	6.76	-
November	2.53	2.65	2.71	3.78	4.84	5.89	6.48	-
December	2.46	2.61	2.74	3.77	4.84	5.89	6.48	-

XI-9 - Interest rates offered on negotiable instruments of indebtedness
(Per cent per annum)

	2001	2002
Certificates of deposit		
10 days	-	-
More than 10 days to less than 3 months	3.00 to 5.65	2.80 to 4.25
3 months to less than 6 months	-	4.75
6 months to less than 12 months	5.00 to 5.90	4.50 to 5.00
12 months to less than 18 months	5.25 to 7.00	4.60 to 5.50
18 months to less than 2 years	-	-
2 years to less than 3 years	6.25	5.50
3 years to less than 5 years	6.50	-
5 years to less than 7 years	6.75 to 7.50	6.00 to 6.50
7 years	-	6.90
Financing companies bonds		
More than 2 years to less than 3 years	6.25 to 7.90	5.16 to 6.50
3 years to less than 5 years	6.00 to 8.05	5.76 to 7.10
5 years to less than 7 years	6.65 to 8.32	6.70 to 7.20
7 years	-	-
Commercial paper		
10 days	-	-
More than 10 days to less than 3 months	-	3.00
3 months to less than 6 months	-	3.60 to 6.00
6 months to less than 1 year	-	4.20 to 6.00
1 year	7.90	3.25

Source : Bank Al-Maghrib.

**XI-10 - Interest rates of notes and bonds issued
on the bond market ⁽¹⁾**
(Per cent per annum)

Notes and bonds term	2001	2002
- 3 years	-	4.75 - 7.50
- 5 years	6.70 - 7.00	6.35
- 7 years	-	-
- 8 years	-	-
- 10 years	-	-
- 15 years	-	6.95 ⁽²⁾

(1) Rates of the latest issues.

(2) Government guaranteed emission.

Source : Bank Al-Maghrib.

XI-11 - Banking prime rates published by the principal banks

(Per cent per annum)

Banking prime rates	2001	2002
Export credits	7.00 - 7.50	7.00
Short-term credits	7.25 - 8.00	7.25
Medium-term credits	7.50 - 8.25	7.25 ⁽¹⁾
Long-term credits	8.50 - 9.00	8.25 ⁽¹⁾

(1) In April 2002, a bank lowered its rates on medium-term credits to 7.25% and those on long-term credits to 8.25%.

XI-12 - Lending interest rates

(Per cent per annum)

2002	1st quarter		2nd quarter		3rd quarter		4th quarter	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Export credits	7.00	10.00	7.00	10.00	7.00	10.00	7.00	10.00
Other short-term credits	7.00	13.25	7.00	13.25	7.00	13.25	7.00	12.75
Medium-term credits (PME/PMI)	7.50	12.00	7.25	12.00	7.25	12.00	7.00	12.00
Other medium-term credits	7.25	13.25	7.25	13.25	7.25	13.25	7.25	13.00
Long-term credits	8.00	13.25	8.00	12.00	8.00	12.00	8.00	12.00

Source : Bank Al-Maghrib.

**XI -13 - Maximum agreed interest rate
of credit institutions**

(Per cent per annum)

Periods Rates	Oct 2000 - March 2001	April - Sept.2001	Oct.2001 - March 2002	April - Sept. 2002	Oct. 2002 - March 2003
Weighted average rate of banks	9.03	9.09	9.13	8.87	8.60
Weighted average rate of financing companies	14.96	14.21	13.36	13.14	13.23
Weighted average rate of the whole of credit institutions	9.66	9.66	9.65	9.46	9.19
Maximum interest rate agreed ⁽¹⁾	15.46	15.46	15.44	15.14	14.70

(1) This rate is equal to the weighted average rate of credit institutions multiplied by 1.60 (Since October 1999).

Source : Bank Al-Maghrib.

XII-1 - The monetary aggregates

(in millions of dirhams)

Components	End of December 2001			End of December 2002		
	Amounts	Annual changes		Amounts	Annual changes	
		Amounts	%		Amounts	%
Currency outside banks.....	66 025	7 856	13.5	69 556	3 531	5.3
Sight deposits.....	144 087	20 993	17.1	159 522	15 435	10.7
Aggregate M 1	210 112	28 849	15.9	229 078	18 966	9.0
Sight investments (M 2 - M 1)	39 581	4 341	12.3	43 097	3 516	8.9
Aggregate M 2	249 693	33 190	15.3	272 175	22 482	9.0
Time investments (M 3 - M 2)	84 294	8 013	10.5	83 337	- 957	-1.1
Aggregate M 3	333 987	41 203	14.1	355 512	21 525	6.4

Source : Bank Al-Maghrib.

XII-2 - Liquid investment aggregates

(in millions of dirhams)

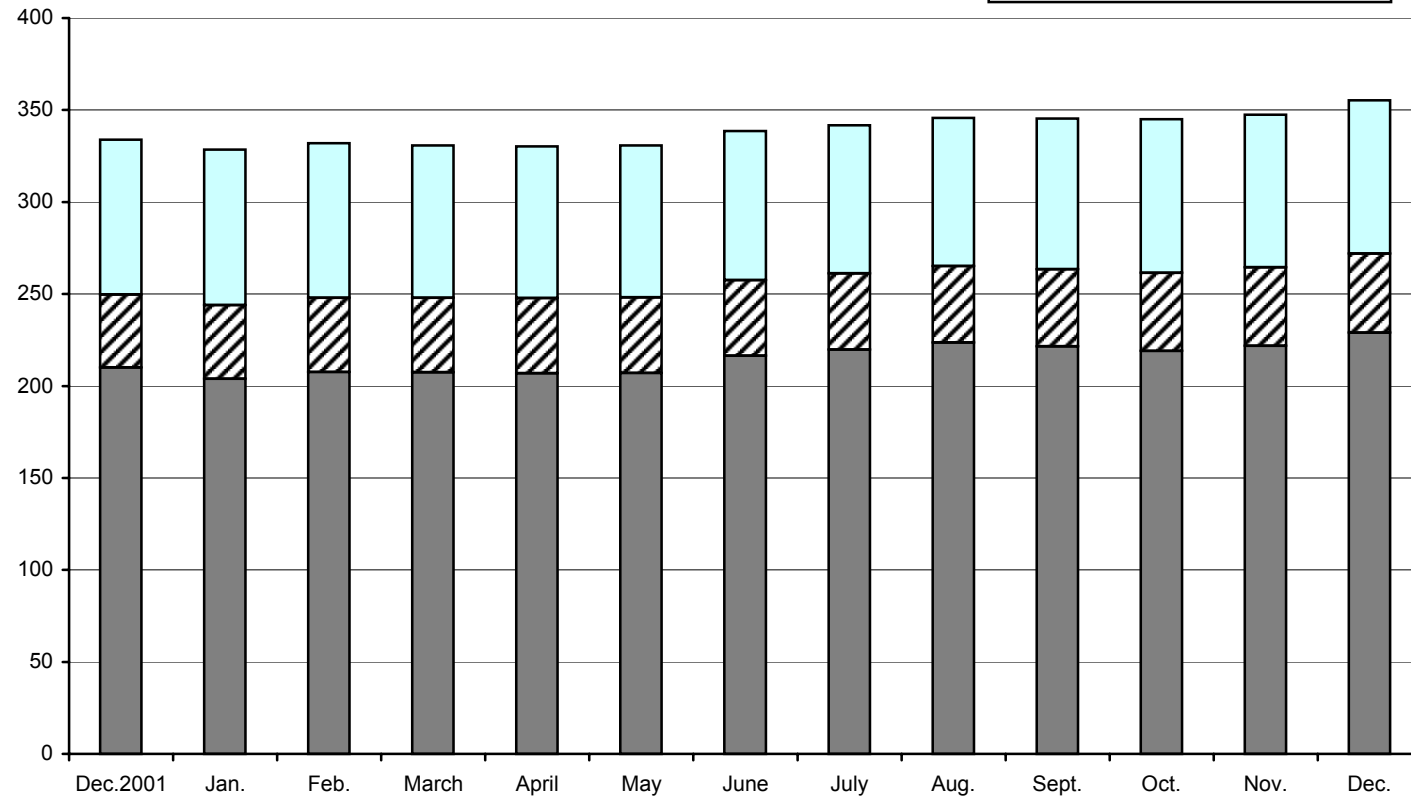
Components	End of December 2001			End of December 2002		
	Amounts	Annual changes		Amounts	Annual changes	
		Amounts	%		Amounts	%
Aggregate LI 1	13 906	2 486	41.9	8 787	-5 119	-36.8
Aggregate LI 2	17 111	4 389	34.5	29 696	12 585	73.5
Aggregate LI 3	1 936	- 1 278	-39.8	1 247	- 689	-35.6
Total liquid investment aggregates	32 953	5 597	28.9	39 730	6 777	20.6

Source : Bank Al-Maghrib.

MONETARY AGGREGATES
(outstanding amounts at the end of month)
Year 2002

In billions of dirhams

■ M1 ▨ M2-M1 □ M3-M2



XII-3 - Aggregate M 1 and its components

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Currency outside banks...	66 025	64 957	67 276	65 479	65 362	65 618	65 760	69 546	71 124	69 689	69 437	69 395	69 556
Sight deposits.....	144 087	138 952	140 232	141 933	141 448	141 500	150 597	150 310	152 373	151 825	149 583	152 367	159 522
Aggregate M 1	210 112	203 909	207 508	207 412	206 810	207 118	216 357	219 856	223 497	221 514	219 020	221 762	229 078

Source : Bank Al-Maghrib.

XII-4 - Currency outside banks

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Notes	68 303	66 890	69 667	67 337	67 218	67 362	67 740	71 969	73 835	72 043	71 493	71 537	71 783
Coin	1 292	1 295	1 303	1 305	1 311	1 314	1 317	1 330	1 350	1 361	1 370	1 379	1 388
Sub-total.....	69 595	68 185	70 970	68 642	68 529	68 676	69 057	73 299	75 185	73 404	72 863	72 916	73 171
<i>Less :</i>													
<i>Cash in hand of banks</i>													
<i>and public accountants ...</i>	3 570	3 228	3 694	3 163	3 167	3 058	3 297	3 753	4 061	3 715	3 426	3 521	3 615
Total of currency outside banks.....	66 025	64 957	67 276	65 479	65 362	65 618	65 760	69 546	71 124	69 689	69 437	69 395	69 556

Source : Bank Al-Maghrib.

XII-5 - Sight deposits

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Sight deposits													
Sight deposits with the Central bank	2 569	1 786	2 595	2 876	2 520	2 240	2 811	2 546	2 658	2 454	2 566	2 978	3 245
Sight deposits with banks	133 233	128 786	129 395	130 771	130 669	131 019	139 456	139 506	141 393	141 013	138 693	140 969	147 919
Sight deposits with the banking system.....	135 802	130 572	131 990	133 647	133 189	133 259	142 267	142 052	144 051	143 467	141 259	143 947	151 164
Sight deposits with Postal giro service	2 599	2 694	2 556	2 600	2 573	2 555	2 644	2 572	2 636	2 672	2 638	2 734	2 672
Sight deposits with the Treasury	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686	5 686
Total of sight deposits with Postal giro service and Treasury	8 285	8 380	8 242	8 286	8 259	8 241	8 330	8 258	8 322	8 358	8 324	8 420	8 358
Total sight deposits.....	144 087	138 952	140 232	141 933	141 448	141 500	150 597	150 310	152 373	151 825	149 583	152 367	159 522

Source : Bank Al-Maghrib.

XII-6 - Sight deposits with banks

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Cheque accounts.....	85 607	86 190	87 008	87 328	88 224	89 140	91 989	94 001	95 281	95 248	95 313	95 575	98 105
Of which : Moroccans living abroad....	(32 819)	(33 412)	(34 430)	(34 019)	(34 506)	(35 040)	(36 373)	(37 908)	(37 739)	(36 902)	(36 340)	(37 087)	(36 911)
Current accounts	37 181	32 688	33 247	33 205	32 698	32 420	35 824	34 835	36 181	36 251	34 359	36 091	39 936
Other accounts	10 445	9 908	9 140	10 238	9 747	9 459	11 643	10 670	9 931	9 514	9 021	9 303	9 878
Total.....	133 233	128 786	129 395	130 771	130 669	131 019	139 456	139 506	141 393	141 013	138 693	140 969	147 919

Source : Bank Al-Maghrib.

XII-7 - Aggregate M 2 and Aggregate M 3

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Aggregate M 1	210 112	203 909	207 508	207 412	206 810	207 118	216 357	219 856	223 497	221 514	219 020	221 762	229 078
Sight investments (M2 - M1) ...	39 581	40 064	40 451	40 674	40 982	41 098	41 177	41 439	41 618	41 917	42 530	42 703	43 097
Deposit books with banks.....	33 005	33 422	33 770	33 951	34 222	34 319	34 388	34 627	34 788	35 027	35 333	35 467	35 785
Savings books with the National Savings Fund	6 576	6 642	6 681	6 723	6 760	6 779	6 789	6 812	6 830	6 890	7 197	7 236	7 312
Aggregate M 2	249 693	243 973	247 959	248 086	247 792	248 216	257 534	261 295	265 115	263 431	261 550	264 465	272 175
Time investments (M3 - M2) ...	84 294	84 607	84 004	82 720	82 549	82 655	81 127	80 456	80 584	82 255	83 556	82 896	83 337
Certificates of deposit ⁽¹⁾	976	959	959	957	951	1 102	1 100	930	812	812	808	809	809
Time accounts and fixed- term bills	83 318	83 648	83 045	81 763	81 598	81 553	80 027	79 526	79 772	81 443	82 748	82 087	82 528
Of which : Moroccans living abroad	(34 355)	(35 915)	(35 417)	(35 793)	(35 810)	(36 344)	(35 599)	(34 590)	(34 361)	(35 268)	(35 871)	(35 805)	(36 061)
Aggregate M 3	333 987	328 580	331 963	330 806	330 341	330 871	338 661	341 751	345 699	345 686	345 106	347 361	355 512

(1) Subscriptions of individuals and non-financial enterprises.

Source : Bank Al-Maghrib.

XII-8 - Liquid investment aggregates ⁽¹⁾

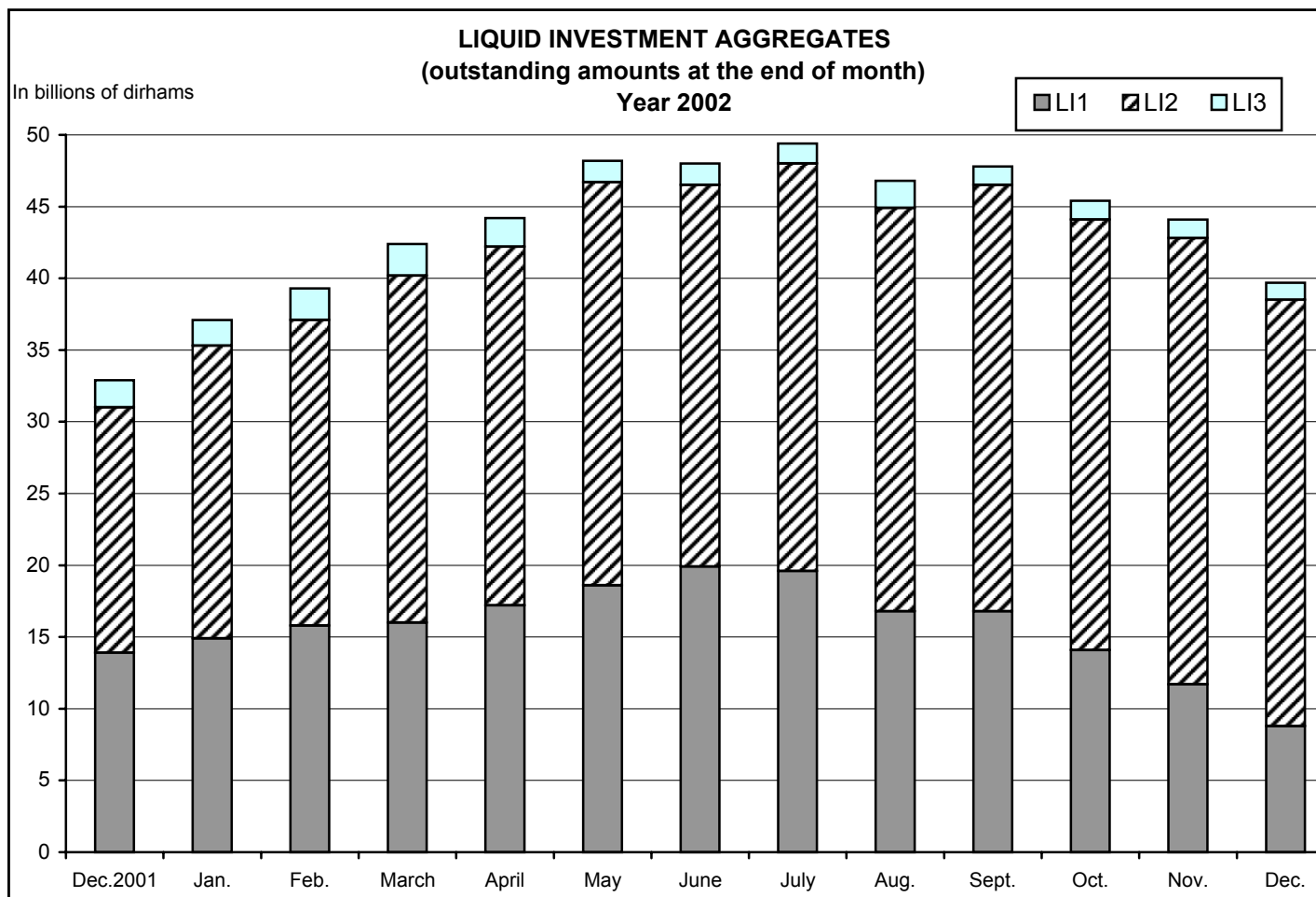
(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Aggregate LI 1													
Six-month Treasury bills	9 407	9 787	10 139	10 737	11 225	11 886	13 916	13 020	11 528	10 447	8 688	6 421	2 502
Negotiable Treasury bills ⁽²⁾	4 238	4 900	5 353	4 944	5 506	6 317	5 528	6 176	4 880	5 948	5 036	4 936	5 873
Commercial paper	-	-	16	16	16	10	19	19	15	15	15	13	4
Bills issued by the financing companies	261	265	268	268	404	404	405	408	407	408	408	408	408
Total	13 906	14 952	15 776	15 965	17 151	18 617	19 868	19 623	16 830	16 818	14 147	11 778	8 787
Aggregate LI 2													
Securities issued by bond Undertakings for Collective Investment in Transferable Securities (UCITS)	17 111	20 477	21 319	24 284	25 014	28 171	26 608	28 367	28 086	29 708	30 078	31 135	29 696
Total	17 111	20 477	21 319	24 284	25 014	28 171	26 608	28 367	28 086	29 708	30 078	31 135	29 696
Aggregate LI 3													
Securities issued by diversified UCITS and share UCITS	1 936	1 872	2 238	2 280	2 044	1 513	1 495	1 368	1 944	1 348	1 321	1 265	1 247
Total	1 936	1 872	2 238	2 280	2 044	1 513	1 495	1 368	1 944	1 348	1 321	1 265	1 247
Total LI	32 953	37 301	39 333	42 529	44 209	48 301	47 971	49 358	46 860	47 874	45 546	44 178	39 730

(1) Subscriptions of individuals and non-financial enterprises.

(2) Outstanding amounts of national loans, privatisation bonds and Treasury bills issued by tender.

Source : Bank Al-Maghrib.



XII-9 - Counterparts of aggregate M 3

(in millions of dirhams)

Components	End of December 2001			End of December 2002		
	Amounts	Annual changes		Amounts	Annual changes	
		Amounts	%		Amounts	%
Net foreign assets ⁽¹⁾						
. Bank Al-Maghrib.....	99 264	46 613	88.5	104 490	5 226	5.3
. Banks.....	2 685	651	32.0	6 290	3 605	134.3
Total (I)	101 949	47 264	86.4	110 780	8 831	8.7
Total domestic lending						
A. Claims on government ⁽¹⁾						
. Net claims of the Bank Al-Maghrib ..	-3 117	-19 150	-119.4	-4 584	-1 467	47.1
. Claims of banks	73 161	11 432	18.5	76 923	3 762	5.1
. Claims of individuals and non-financial enterprises ⁽²⁾	8 285	113	1.4	8 358	73	0.9
Sub-total	78 329	-7 605	-8.8	80 697	2 368	3.0
B. Claims on the private sector ⁽¹⁾						
. Bank Al-Maghrib.....	8 304	833	11.1	9 747	1 443	17.4
. Banks ⁽³⁾	208 647	8 094	4.0	216 474	7 827	3.8
Sub-total	216 951	8 927	4.3	226 221	9 270	4.3
C. Counterpart of savings books with the National Savings Fund ⁽⁴⁾	6 576	368	5.9	7 312	736	11.2
Total (A+B+C).....	301 856	1 690	0.6	314 230	12 374	4.1
Less :						
Banking system's non monetary resources ^{(5) (6)}	60 875	2 341	4.0	60 011	- 864	-1.4
Domestic credit of a monetary nature (II)	240 981	- 651	-0.3	254 219	13 238	5.5
Total counterparts (I+II)	342 930	46 613	15.7	364 999	22 069	6.4
Balancing items ⁽⁷⁾	- 8 943	- 5 410		- 9 487	- 544	
Aggregate M 3	333 987	41 203	14.1	355 512	21 525	6.4

(1) See details on net foreign assets, claims on government and claims on the private sector, in statistical appendices XII-11, XII-12 and XII-13 respectively .

(2) Counterpart of deposits with the Treasury and the Postal Giro Service, recorded as sight deposits.

(3) Including lending to the public institutions.

(4) The resources collected by the National Savings Fund are deposited with the Deposit and Management Fund (CDG). These resources cannot be split up into claims on government and claims on the private sector.

(5) Domestic and external loans contracted by banks (see banks resources in statistical appendix XIII-1)

(6) Excess of the equity base (capital and reserves) on the total of real estate assets and shareholdings securities.

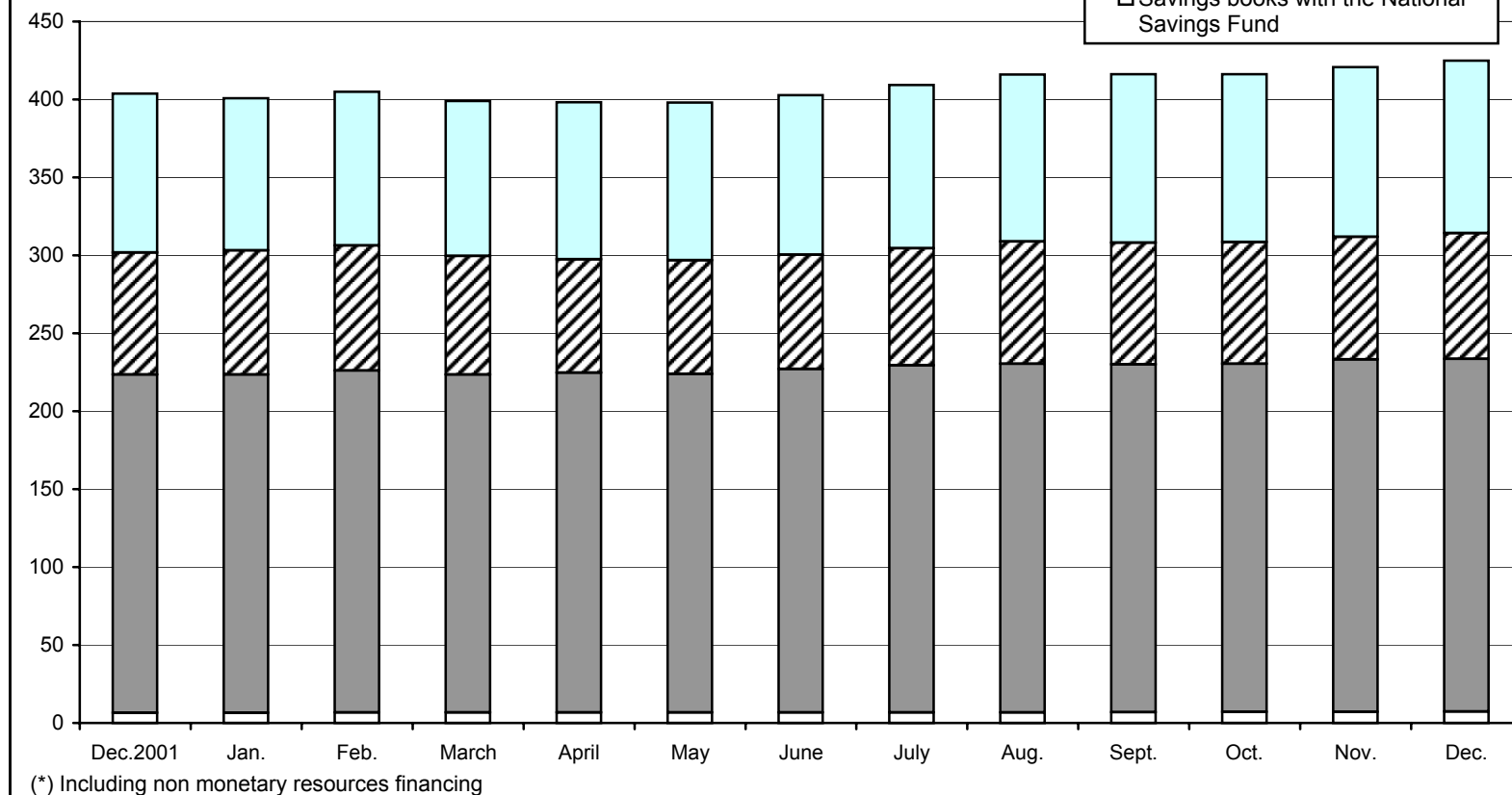
(7) Excess of the balancing items of the banking system liabilities on those of its assets.

Source : Bank Al-Maghrib.

COUNTERPARTS OF M3 (*)
(outstanding amounts at the end of month)
Year 2002

In billions of dirhams

- Net foreign assets
- Claims on Government
- Claims on the private sector
- Savings books with the National Savings Fund



XII-10 - Monthly development of the counterparts of M 3

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Net foreign assets ⁽¹⁾													
. Bank Al-Maghrib.....	99 264	95 963	96 799	98 007	98 531	98 922	98 845	100 553	102 322	103 928	102 930	102 009	104 490
. Banks	2 685	1 608	1 807	1 519	2 228	2 304	3 660	4 198	4 842	4 242	5 024	6 858	6 290
Total (I).....	101 949	97 571	98 606	99 526	100 759	101 226	102 505	104 751	107 164	108 170	107 954	108 867	110 780
Total domestic lending													
A. Claims on government ⁽¹⁾													
. Net claims of the Bank													
Al-Maghrib	- 3 117	- 2 276	- 2 477	- 5 697	- 7 890	- 6 666	- 6 292	- 4 968	- 4 390	- 4 897	- 3 925	- 3 704	- 4 584
. Claims of banks	73 161	73 489	74 484	73 508	72 456	71 493	71 187	71 926	74 610	74 731	73 571	73 833	76 923
. Claims of individuals and non-financial enterprises ⁽²⁾ ...	8 285	8 380	8 242	8 286	8 259	8 241	8 330	8 258	8 322	8 358	8 324	8 420	8 358
Sub-total	78 329	79 593	80 249	76 097	72 825	73 068	73 225	75 216	78 542	78 192	77 970	78 549	80 697
B. Claims on the private sector ⁽¹⁾													
. Bank Al- Maghrib	8 304	8 451	8 448	8 372	8 367	8 366	8 509	8 507	8 708	8 707	8 706	9 025	9 747
. Banks ⁽³⁾	208 647	208 567	211 006	208 404	209 703	208 908	211 842	214 143	214 860	214 411	214 695	217 111	216 474
Sub-total	216 951	217 018	219 454	216 776	218 070	217 274	220 351	222 650	223 568	223 118	223 401	226 136	226 221
C. Counterpart of savings books with the National Savings Fund ⁽⁴⁾.....	6 576	6 642	6 681	6 723	6 760	6 779	6 789	6 812	6 830	6 890	7 197	7 236	7 312
Total (A+B+C)	301 856	303 253	306 384	299 596	297 655	297 121	300 365	304 678	308 940	308 200	308 568	311 921	314 230
Less :													
Banking system's non monetary resources	60 875	61 808	61 847	60 025	58 407	61 317	58 634	58 961	62 099	60 696	61 173	59 470	60 011
Banks' borrowing ⁽⁵⁾	26 758	28 072	27 809	25 988	24 668	24 987	23 166	24 001	26 890	25 664	26 033	24 318	25 011
Provisions constituted by the banks.....	22 037	22 045	22 423	22 538	22 546	23 681	24 047	24 105	24 263	24 306	24 542	24 673	24 468
Bank Al-Maghrib and banks' net capital and reserves ⁽⁶⁾	12 080	11 691	11 615	11 499	11 193	12 649	11 421	10 855	10 946	10 726	10 598	10 479	10 532
Domestic credit of a Monetary nature (II).....	240 981	241 445	244 537	239 571	239 248	235 804	241 731	245 717	246 841	247 504	247 395	252 451	254 219
Total counterparts (I+II)	342 930	339 016	343 143	339 097	340 007	337 030	344 236	350 468	354 005	355 674	355 349	361 318	364 999
Balancing items (net) ⁽⁷⁾	- 8 943	-10 436	-11 180	-8 291	- 9 666	- 6 159	- 5 575	- 8 717	- 8 306	- 9 988	-10 243	-13 957	- 9 487
Aggregate M 3	333 987	328 580	331 963	330 806	330 341	330 871	338 661	341 751	345 699	345 686	345 106	347 361	355 512

(1) See details on net foreign assets, claims on government and claims on the private sector, in statistical appendices XII-11, XII-12 and XII-13 respectively .

(2) Counterpart of deposits with the Treasury and the Postal Giro Service, recorded as sight deposits.

(3) Including lending to the public institutions.

(4) The resources collected by the National Savings Fund are deposited with the Deposit and Management Fund (CDG). These resources cannot be split up into claims on government and claims on the private sector.

(5) Domestic and external loans contracted by banks (see banks resources in statistical appendix XIII-1)

(6) Excess of the equity base (capital and reserves) on the total of real estate assets and shareholdings securities.

(7) Excess of the balancing items of the banking system liabilities on those of its assets.

Source : Bank Al-Maghrib.

XII-11 - Net foreign assets

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
A. Gross foreign assets of the Bank Al-Maghrib													
. Gold.....	1 957	1 957	1 957	1 957	1 957	1 959	1 959	1 959	1 959	1 959	1 960	1 960	1 960
. Convertible foreign currencies	95 214	92 023	92 866	94 028	94 572	95 078	94 986	96 793	98 276	99 920	98 925	98 056	100 516
. Special drawing rights	1 426	1 330	1 331	1 328	1 309	1 213	1 166	1 074	1 391	1 383	1 372	1 289	1 244
. I.M.F. reserve tranche	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294	1 294
. Subscription to the Arab Monetary Fund	300	302	301	301	298	295	290	292	292	290	290	289	285
. Inconvertible foreign currencies.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	100 191	96 906	97 749	98 908	99 430	99 839	99 695	101 412	103 212	104 846	103 841	102 888	105 299
B. Foreign liabilities of the Bank Al-Maghrib													
. Credit from international organizations	194	194	194	194	194	194	194	205	205	205	202	202	202
. Other liabilities.....	733	749	756	707	705	723	656	654	685	713	709	677	607
Sub-total	927	943	950	901	899	917	850	859	890	918	911	879	809
I. Total net foreign assets of the Bank Al-Maghrib (A-B) ...	99 264	95 963	96 799	98 007	98 531	98 922	98 845	100 553	102 322	103 928	102 930	102 009	104 490
C. Gross foreign assets of banks (1)	6 566	5 936	6 095	5 976	6 401	6 247	8 115	8 111	8 858	8 208	8 811	10 519	9 030
D. External liabilities of banks (2).....	3 881	4 328	4 288	4 457	4 173	3 943	4 455	3 913	4 016	3 966	3 787	3 661	2 740
II. Total net foreign assets of banks (C-D)	2 685	1 608	1 807	1 519	2 228	2 304	3 660	4 198	4 842	4 242	5 024	6 858	6 290
Total net foreign assets (I+II).....	101 949	97 571	98 606	99 526	100 759	101 226	102 505	104 751	107 164	108 170	107 954	108 867	110 780

(1) Are recorded under this item the foreign exchange balances of banks and their deposits with their correspondents outside Morocco.
Being regarded as claims on a resident institution, foreign exchange deposits of banks with the Bank Al-Maghrib are not included among their foreign assets.

(2) Are taken into account under this heading chiefly the creditor balances of foreign correspondents with banks and the foreign exchange deposits of their clientele.

Source : Bank Al-Maghrib.

XII-12 - Claims on government

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Claims of Bank Al-Maghrib													
. Advances to the government ⁽¹⁾	6 136	7 500	7 334	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500	5 500
. Custom drafts and surety bonds	-	348	-	-	-	-	-	-	-	-	-	-	-
. Cheques held in discount	1 527	656	965	1 503	459	1 368	534	884	1 371	945	628	1 023	1 200
. Central Bank's deposits with the Postal giro service	26	26	30	30	30	50	29	28	47	45	26	28	38
Gross total	7 689	8 530	8 329	7 033	5 989	6 918	6 063	6 412	6 918	6 490	6 154	6 551	6 738
<i>Less :</i>													
<i>Assets held by public accountants ⁽²⁾</i>	<i>10 806</i>	<i>10 806</i>	<i>10 806</i>	<i>12 730</i>	<i>14 080</i>	<i>13 584</i>	<i>12 355</i>	<i>11 380</i>	<i>11 308</i>	<i>11 387</i>	<i>10 079</i>	<i>10 255</i>	<i>11 322</i>
Net total	-3 117	-2 276	-2 477	-5 697	-8 091	-6 666	-6 292	-4 968	-4 390	-4 897	-3 925	-3 704	-4 584
Treasury bills purchased on the secondary market	-	-	-	-	201	-	-	-	-	-	-	-	-
Sub-total (I)	-3 117	-2 276	-2 477	-5 697	-7 890	-6 666	-6 292	-4 968	-4 390	-4 897	-3 925	-3 704	-4 584
Claims of banks													
Portfolio of public securities	72 318	72 610	73 945	72 779	72 313	71 220	70 608	71 567	73 544	73 338	72 244	72 506	75 179
Banks' deposits with Treasury and Postal giro service	843	879	539	729	143	273	579	359	1 066	1 393	1 327	1 327	1 744
Sub-total (II)	73 161	73 489	74 484	73 508	72 456	71 493	71 187	71 926	74 610	74 731	73 571	73 833	76 923
Claims of individuals and non-financial enterprises													
Counterpart of deposits with Postal giro service and Treasury	8 285	8 380	8 242	8 286	8 259	8 241	8 330	8 258	8 322	8 358	8 324	8 420	8 358
Sub-total (III)	8 285	8 380	8 242	8 286	8 259	8 241	8 330	8 258	8 322	8 358	8 324	8 420	8 358
Total claims on government (I+II+III)	78 329	79 593	80 249	76 097	72 825	73 068	73 225	75 216	78 542	78 192	77 970	78 549	80 697

(1) Agreed advances and cash facilities.

(2) Notes and coin held by public accountants and Treasury's creditor account with the Bank Al-Maghrib levelled at one million dirhams.

Source : Bank Al-Maghrib.

XII-13 - Claims on the private sector ⁽¹⁾

(in millions of dirhams)

Components	2001	2002											
	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
A. Lending to enterprises and individuals ⁽²⁾	195 888	195 058	196 689	193 042	193 791	192 507	195 573	197 893	198 283	197 990	198 259	200 044	199 069
Debtor accounts and overdraft facilities	72 440	71 554	71 854	68 863	68 846	67 529	69 311	71 616	71 073	70 958	70 632	71 932	69 720
Equipment credit	45 371	45 137	44 695	45 068	45 402	44 172	43 594	42 782	42 931	41 817	41 989	41 779	42 116
Real estate loans	30 699	31 384	31 722	32 320	32 200	32 716	33 120	33 264	33 575	34 111	34 429	34 707	35 155
Consumer credit	8 283	8 256	8 274	8 257	8 220	8 299	8 372	8 469	8 510	8 553	8 603	8 549	8 378
Miscellaneous	3 396	3 066	4 308	3 913	3 539	3 390	4 245	4 152	4 526	4 363	4 152	4 678	5 679
Pending claims ⁽³⁾	35 699	35 661	35 836	34 621	35 584	36 401	36 931	37 610	37 668	38 188	38 454	38 399	38 021
B. Lending to financing companies	12 138	12 047	12 582	13 904	14 581	15 023	14 849	14 534	14 921	14 789	14 940	15 601	15 880
Credit	11 125	11 020	11 556	12 842	13 573	14 324	14 165	13 625	14 142	14 134	14 285	15 034	15 215
Financing companies securities held by banks	1 013	1 027	1 026	1 062	1 008	699	684	909	779	655	655	567	665
C. Banks' portfolio of investment securities ⁽⁴⁾	621	1 462	1 735	1 458	1 331	1 378	1 420	1 716	1 656	1 632	1 496	1 466	1 525
I. Total banks' claims on the private sector (A+B+C) ..	208 647	208 567	211 006	208 404	209 703	208 908	211 842	214 143	214 860	214 411	214 695	217 111	216 474
II. Bank Al-Maghrib' claims on the private sector	8 304	8 451	8 448	8 372	8 367	8 366	8 509	8 507	8 708	8 707	8 706	9 025	9 747
Total (I+II)	216 951	217 018	219 454	216 776	218 070	217 274	220 351	222 650	223 568	223 118	223 401	226 136	226 221

(1) Classified on the basis of the new banking accounting plan in effect since January 2000.

(2) Including lending to the public institutions.

(3) Pre-doubtful claims, doubtful claims and compromised claims.

(4) Non-banking enterprises securities subscribed for by banks.

Source : Bank Al-Maghrib.

XII-14 - Monetary and liquid investment aggregates
1981 - 2002

(in millions of dirhams)

Outstanding amounts at end-December	Aggregate M 3							Liquid investment aggregate			
	Aggregate M 2					Time investments (2)	M 3 = M 2 + time investments	LI 1 (3)	LI2 (4)	LI 3 (5)	TOTAL
	Aggregate M 1			Sight investments (1)	M 2 = M 1 + sight investments						
	Currency outside banks	Sight deposits	Total								
1981	11 121	16 106	27 227	1 353	28 580	6 664	35 244	186	-	-	186
1982	12 023	17 584	29 607	1 735	31 342	7 654	38 996	336	-	-	336
1983	13 635	20 345	33 980	2 259	36 239	10 227	46 466	351	-	-	351
1984	14 770	22 305	37 075	2 744	39 819	11 373	51 192	359	-	-	359
1985	16 194	26 570	42 764	3 136	45 900	14 416	60 316	2 641	-	-	2 641
1986	18 694	31 361	50 055	4 160	54 215	15 851	70 066	6 229	-	-	6 229
1987	20 003	34 718	54 721	5 891	60 612	16 485	77 097	9 612	-	-	9 612
1988	21 913	40 335	62 248	7 573	69 821	18 867	88 688	10 308	-	-	10 308
1989	24 814	44 460	69 274	9 317	78 591	21 441	100 032	13 485	-	-	13 485
1990	29 543	53 115	82 658	11 491	94 149	24 883	119 032	15 739	-	-	15 739
1991	34 269	60 352	94 621	14 051	108 672	31 190	139 862	14 504	-	-	14 504
1992	35 744	64 939	100 683	14 913	115 596	37 467	153 063	15 564	-	-	15 564
1993	37 202	68 576	105 778	15 959	121 737	43 986	165 723	16 837	-	-	16 837
1994	41 021	76 163	117 184	18 685	135 869	47 464	183 333	21 849	-	-	21 849
1995	43 154	81 329	124 483	21 279	145 762	52 494	198 256	22 910	-	8	22 918
1996	46 447	84 346	130 793	23 466	154 259	57 283	211 542	23 158	220	1 696	25 074
1997	48 662	92 198	140 860	25 983	166 843	64 121	230 964	19 821	2 708	3 057	25 586
1998	50 644	99 628	150 272	29 523	179 795	65 114	244 909	18 488	9 154	6 590	34 232
1999	56 713	110 815	167 528	33 069	200 597	69 389	269 986	15 298	18 630	5 423	39 351
2000	58 169	123 094	181 263	35 240	216 503	76 281	292 784	11 420	12 722	3 214	27 356
2001	66 025	144 087	210 112	39 581	249 693	84 294	333 987	13 906	17 111	1 936	32 953
2002	69 556	159 522	229 078	43 097	272 175	83 337	355 512	8 787	29 696	1 247	39 730

(1) Deposit books with banks and savings books with the National Savings Fund.

(2) Time accounts and fixed-term bills with banks and certificates of deposit

(3) Six-month over-the-counter Treasury bills and negotiable debt securities (Treasury bills, bills of the financing companies and commercial paper subscribed for by individuals and non-financial enterprises.

(4) Securities issued by bond UCITS (since 1995) and subscribed for by individuals and non-financial enterprises

(5) Securities issued by diversified and share UCITS (since 1995) and subscribed for by individuals and non-financial enterprises

Source : Bank Al-Maghrib.

**XII-15 - Counterparts of M 3
1981 - 2002**

(in millions of dirhams)

Outstanding amounts at end- December	Net foreign assets			Domestic credit of a monetary nature											Total counterparts of M 3 (I+II)	Balancing items (3)
				Total domestic lending									Less :			
	Claims on government				Claims on the private sector			Counterpart of assets with National Savings Fund (C) (2)	Total (A+B+C)	Banking system's non monetary resources	Total (II)					
	Bank Al- Maghrib	Banks	Total (I)		Bank Al- Maghrib	Banks	Individuals and non- financial enterprises (1)					Total (A)	Bank Al- Maghrib	Banks		
				Bank Al- Maghrib	Banks	Individuals and non- financial enterprises (1)	Total (A)	Bank Al- Maghrib	Banks	Total (B)						
1981	86	2	88	9 722	8 552	1 747	20 021	425	22 886	23 311	482	43 814	7 119	36 695	36 783	- 1 539
1982	743	48	791	8 336	9 185	1 844	19 365	682	26 406	27 088	552	47 005	7 324	39 681	40 472	- 1 476
1983	- 56	35	- 21	10.924	12 423	1 715	25 062	1 034	30 169	31 203	626	56 891	9 094	47 797	47 776	- 1 310
1984	300	70	370	10.857	13 107	1 926	25 890	1 675	34 557	36 232	719	62 841	10 523	52 318	52 688	- 1 496
1985	972	137	1 109	10.048	17 888	2 028	29 964	3 079	39 311	42 390	780	73 134	12 219	60 915	62 024	- 1 708
1986	1 705	- 18	1 687	9 558	25 138	2 301	36 997	5 184	43 184	48 368	897	86 262	15 285	70 977	72 664	- 2 598
1987	2 985	228	3 213	8 799	28 277	2 925	40 001	5 835	46 588	52 423	1 053	93 477	17 750	75 727	78 940	- 1 843
1988	4 292	254	4 546	10 078	32 690	4 347	47 115	6 033	52 411	58 444	1 236	106 795	21 011	85 784	90 330	- 1 642
1989	3 951	137	4 088	10 614	37 701	4 988	53 303	6 699	59 418	66 117	1 428	120 848	22 703	98 145	102 233	- 2 201
1990	16 600	612	17 212	11 517	34 575	5 208	51 300	6 814	71 000	77 814	1 663	130 777	27 483	103 294	120 506	- 1 474
1991	24 435	637	25 072	12 116	35 346	6 274	53 736	6 845	87 850	94 695	1 917	150 348	32 144	118 204	143 276	- 3 414
1992	31 504	590	32 094	9 924	41 427	6 151	57 502	7 001	99 079	106 080	2 150	165 732	40 301	125 431	157 525	- 4 462
1993	36 900	735	37 635	9 936	46 295	6 532	62 763	7 045	104 747	111 792	2 342	176 897	45 480	131 417	169 052	- 3 329
1994	40 753	299	41 052	8 185	54 747	6 783	69 715	7 307	114 796	122 103	2 754	194 572	48 072	146 500	187 552	- 4 219
1995	32 348	426	32 774	18 490	52 908	6 789	78 187	7 619	128 982	136 601	3 292	218 080	49 854	168 226	201 000	- 2 744
1996	35 214	166	35 380	18 758	54 847	8 032	81 637	7 386	142 056	149 442	3 866	234 945	54 172	180 773	216 153	- 4 611
1997	40 355	294	40 649	19 680	58 616	8 073	86 369	7 395	152 029	159 424	4 553	250 346	53 144	197 202	237 851	- 6 887
1998	42 710	316	43 026	19 244	58 614	6 652	84 510	7 390	168 495	175 885	5 330	265 725	54 721	211 004	254 030	- 9 121
1999	58 884	207	59 091	13 405	54 917	7 711	76 033	7 192	185 905	193 097	5 721	274 851	58 611	216 240	275 331	- 5 345
2000	52 651	2 034	54 685	16 033	61 729	8 172	85 934	7 471	200 553	208 024	6 208	300 166	58 534	241 632	296 317	- 3 533
2001	99 264	2 685	101 949	- 3 117	73 161	8 285	78 329	8 304	208 647	216 951	6 576	301 856	60 875	240 981	342 930	- 8 943
2002	104 490	6 290	110 780	- 4 584	76 923	8 358	80 697	9 747	216 474	226 221	7 312	314 230	60 011	254 219	364 999	- 9 487

(1) Counterpart of deposits with the Treasury and the Postal Giro Service, recorded as sight deposits.

(2) The resources collected by the National Savings Fund are deposited with the Deposit and Management Fund (CDG). These resources cannot be split up into claims on government and claims on the private sector.

(3) Excess of the balancing items of the banking system liabilities on those of its assets.

Source : Bank Al-Maghrib.

XIII-1 - Cash movement at Bank Al-Maghrib's cash desks

(in millions of dirhams)

	2000		2001		2002	
	Inflows	Outflows	Inflows	Outflows	Inflows	Outflows
January	5 918	3 027	6 127	4 448	7 127	5 706
February	4 528	3 647	3 846	5 547	4 230	7 017
March	4 225	5 820	5 415	5 603	6 529	4 198
April	4 390	4 102	5 119	5 026	5 542	5 429
May	4 758	3 920	5 057	5 490	5 646	5 794
June	3 899	4 805	4 437	5 437	4 550	4 932
July	3 527	6 433	4 038	7 920	4 577	8 819
August	4 698	5 640	5 556	7 511	5 597	7 501
September	5 543	4 134	6 417	4 186	6 790	5 009
October	5 006	4 331	6 012	5 815	6 667	6 126
November	4 754	4 675	5 243	5 413	5 223	5 276
December	3 204	5 358	4 420	7 105	6 266	6 521
Total	54 450	55 892	61 687	69 501	68 744	72 328

Source : Bank Al-Maghrib.

XIII-2 - Exchanges at the clearing houses

	Number of operations (in thousands)			Amounts (in millions of dirhams)				Rate of rejection (in %)	
	Bills	Cheques	Total	Bills	Cheques	Transfers	Total	Bills	Cheques
2002									
January	298	1 828	2 126	6 041	39 093	33 154	78 288	20.9	2.6
February	268	1 497	1 765	5 427	33 111	30 747	69 285	20.6	2.5
March	253	1 665	1 918	5 180	34 786	33 677	73 643	20.4	2.5
April	324	1 750	2 074	6 527	40 987	35 657	83 171	22.4	2.5
May	273	1 816	2 089	6 024	38 789	29 405	74 218	20.9	2.5
June	237	1 641	1 878	4 615	35 027	31 692	71 334	20.6	2.2
July	351	1 841	2 192	6 740	43 083	30 819	80 642	19.4	2.3
August	267	1 457	1 724	5 337	36 165	30 467	71 969	18.3	2.6
September	295	1 538	1 833	6 566	37 398	26 208	70 172	17.4	2.6
October	314	1 906	2 220	6 578	43 920	29 857	80 355	20.8	2.3
November	244	1 458	1 702	5 069	32 712	26 279	64 060	18.4	2.6
December	340	1 613	1 953	7 268	38 198	30 658	76 124	21.1	2.5
Total	3 464	20 010	23 474	71 372	453 269	368 620	893 261	20.1	2.5

Source : Bank Al-Maghrib.

XIV-1 - Assets and liabilities of all the banks

(in millions of dirhams)

	December 2000	December 2001	December 2002
ASSETS			
Cash in hand and liquid balances	19 658	29 070	29 777
Of which : Bank notes and cheques in foreign currency	(582)	(761)	(498)
Deposits in dirhams with the Bank Al-Maghrib	(13 467)	(20 528)	(23 330)
Deposits with the Treasury and the Postal Cheque Service	(96)	(843)	(1 744)
Balances with banks and loans to banks	5 326	3 241	3 776
Foreign correspondents and the like	5 774	5 805	8 532
Portfolio of Treasury bills	61 633	72 318	75 179
Claims on the private sector ⁽¹⁾	199 138	207 013	214 284
Portfolio of investment securities other than public securities.....	8 543	10 782	11 167
- Certificates of deposit held by banks	1 751	1 809	1 447
- Bills and bonds issued by the BNDE, the CIH, the CNCA and the FEC subscribed for by banks	5 377	7 339	7 530
- Financing companies bonds held by banks	438	1 013	665
- Securities issued by non banking institutions	977	621	1 525
Portfolio of equity investment and the like	10 605	12 019	13 413
Fixed assets	10 273	10 854	11 384
Miscellaneous (net)	-	-	-
TOTAL.....	320 950	351 102	367 512
LIABILITIES			
Customers' sight accounts in dirhams	113 133	133 233	147 919
. Cheque accounts	72 166	85 607	98 105
(Moroccans living abroad cheque accounts)	(26 619)	(32 819)	(36 911)
. Current accounts	31 140	37 181	39 936
. Other deposits	9 827	10 445	9 878
Deposit books	29 032	33 005	35 785
Fixed-term accounts and notes	75 392	83 318	82 528
Certificates of deposit	5 642	4 967	3 532
Of which : Subscriptions by non financial enterprises and by individuals	(889)	(976)	(809)
Non-residents' sight and fixed-term accounts in foreign currency ...	431	641	527
Inter-bank liabilities	10 107	10 547	11 422
Net borrowing from financial institutions ⁽²⁾	2 380	2 329	3 836
Foreign correspondents and the like	3 891	3 240	2 213
Bond loans in dirhams	11 808	10 212	8 240
External long term borrowing	13 083	12 035	11 659
Recourse to the Bank Al-Maghrib	7 161	7	1
Provisions	17 316	22 037	24 468
Capital and reserves	29 480	32 574	32 730
Miscellaneous (net)	2 094	2 957	2 652
TOTAL.....	320 950	351 102	367 512

(1) Including loans granted to financing companies and public institutions

(2) Including securities pledging operations with UCITS.

Source : Bank Al-Maghrib.

XIV-2 - Assets and liabilities of consumer credit companies

(in millions of dirhams)

	December 2000	December 2001	December 2002
ASSETS			
Fixed assets	304	327	343
Credits	17 934	18 727	19 909
Miscellaneous debtors and regularizing accounts	411	386	476
Liquid balances	381	394	361
Total	19 030	19 834	21 089
LIABILITIES			
Capital, reserves and the like	2 537	2 774	2 860
Provisions	2 379	2 354	2 864
Financing debts	6 602	8 702	9 958
Miscellaneous creditors and regularizing accounts	1 417	817	1 007
Treasury accounts.....	6 095	5 187	4 400
Total	19 030	19 834	21 089

Source : Bank Al-Maghrib.

XIV-3 - Assets and liabilities of leasing companies

(in millions of dirhams)

	December 2000	December 2001	December 2002
ASSETS			
Fixed assets	54	59	60
Credits	9 209	10 916	12 496
Miscellaneous debtors and regularizing accounts	71	196	131
Liquid balances	29	21	227
Total	9 363	11 192	12 914
LIABILITIES			
Capital, reserves and the like	1 237	1 244	1 267
Provisions	690	850	1 095
Financing debts	5 777	6 972	8 116
Miscellaneous creditors and regularizing accounts	594	704	1 003
Treasury accounts	1 065	1 422	1 433
Total	9 363	11 192	12 914

Source : Bank Al-Maghrib.

XV-1 - Interbank money market outstanding amounts of lending and borrowing

(in millions of dirhams)

Outstanding amounts at the end of month	2001	2002												
	Average	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Average
Banks' loans	2 822	1 378	1 460	1 411	1 613	1 570	2 446	2 578	1 999	1 059	1 887	1 310	2 187	1 742
C D G loans	212	-	-	199	100	50	414	265	230	92	92	92	1 015	212
Financing companies' loans ⁽¹⁾	2	-	-	-	-	17	17	17	-	-	-	-	-	4
Total loans	3 036	1 378	1 460	1 610	1 713	1 637	2 877	2 860	2 229	1 151	1 979	1 402	3 202	1 958
Banks' borrowing	2 825	1 233	1 334	1 496	1 648	1 549	2 783	2 767	2 116	1 034	1 910	1 367	3 156	1 866
C D G borrowing	60	10	-	-	-	-	4	-	-	-	-	-	-	1
Financing companies' borrowing	152	135	126	114	65	88	90	93	113	117	69	35	46	91
Total borrowing	3 036	1 378	1 460	1 610	1 713	1 637	2 877	2 860	2 229	1 151	1 979	1 402	3 202	1 958
Interest rates														
. Daily average.....	4.44	2.96	3.13	3.21	3.6	2.98	2.84	2.83	2.77	3.09	2.77	2.72	2.94	2.99
. End of month	4.22	2.82	3.17	1.94	3.03	3.15	2.46	3.59	2.65	3.64	2.46	3.14	3.29	2.94

(1) The Moroccan Guarantee and Credit Fund (CMM), Dar Addamane and the Central Guarantee Fund (CCG).

Source : Bank Al-Maghrib.

XV-2 - Subscriptions to Treasury bills by tender

(in millions of dirhams)

Maturities	2001						2002					
	Banks	CDG	Insurance companies and pension institutions	UCITS	Other	Total	Banks	CDG	Insurance companies and pension institutions	UCITS	Other	Total
13 weeks	2 243	452	234	570	-	3 499	3 333	100	-	138	-	3 571
26 weeks	5 886	2436	2	1020	-	9 344	3 612	100	2	100	-	3 814
52 weeks	14 284	2 356	584	1 058	48	18 330	9 449	1 802	521	1 220	-	12 992
Total short-term (I)	22 413	5 244	820	2 648	48	31 173	16 394	2 002	523	1 458	-	20 377
2 years	8 240	1166	346	375	2	10 129	12 676	5559	279	140	-	18 654
5 years	8 890	3 292	407	328	2	12 919	19 293	3 051	-	208	20	22 572
Total medium-term (II)	17 130	4 458	753	703	4	23 048	31 969	8 610	279	348	20	41 226
10 years	2 113	252	-	175	2	2 542	8 686	303	432	25	-	9 446
15 years	580	50	50	35	-	715	4154	300	335	71	-	4860
20 years	-	-	-	-	-	-	-	-	-	-	-	-
Total long-term (III)	2 693	302	50	210	2	3 257	12 840	603	767	96	-	14 306
Total (I+II+III)	42 236	10 004	1 623	3 561	54	57 478	61 203	11 215	1 569	1 902	20	75 909

Source : Bank Al-Maghrib.

XV-3 - Interest rates on Treasury bills by tender

Maturities	2001			2002		
	Minimum rate	Maximum rate	Weighted average rate	Minimum rate	Maximum rate	Weighted average rate
13 weeks	4.42	5.80	4.65	2.38	3.8	2.64
26 weeks	4.50	6.10	4.87	2.55	4.3	2.85
52 weeks	4.55	6.51	5.26	2.71	4.65	3.76
2 years	5.19	6.93	5.88	3.7	5.3	4.73
5 years	5.80	7.00	6.22	4.75	6.2	5.65
10 years	6.37	7.02	6.73	5.8	6.76	6.19
15 years	6.98	7.16	7.10	6.45	7.16	6.85
20 years	-	-	-	-	-	-

Source : Bank Al-Maghrib.

XV-4 - Outstanding amounts of Treasury bills by tender

(in millions of dirhams)

Maturities	2001						2002					
	Banks	CDG ⁽¹⁾	Insurance companies and pension institutions	UCITS	Other	Total	Banks	CDG ⁽¹⁾	Insurance companies and pension institutions	UCITS	Other	Total
13 weeks	288	-	-	262	-	550	391	-	49	2 090	-	2 530
26 weeks	2 052	1 190	1 137	2 542	330	7 251	950	-	138	2 374	2	3 464
52 weeks	10 982	372	2 306	3 634	1 036	18 330	6 097	397	1 728	3 314	490	12 026
Total short-term (I)	13 322	1 562	3 443	6 438	1 366	26 131	7 438	397	1 915	7 778	492	18 020
2 years	7 761	840	1 951	3 325	751	14 628	7 896	3 274	4 827	8 952	754	25 703
5 years	21 025	4 566	11 629	9 776	1 553	48 549	23 036	3 401	14 093	15 510	2 081	58 121
Total medium-term (II)	28 786	5 406	13 580	13 101	2 304	63 177	30 932	6 675	18 920	24 462	2 835	83 824
10 years	8 497	7 021	14 154	3 699	84	33 455	12 260	8 226	15 659	6 114	643	42 902
15 years	4 884	5 090	8 224	1 924	166	20 288	6 009	4 090	10 594	3 323	1 131	25 147
20 years	20	-	-	4	-	24	20	-	-	4	-	24
Total long-term (III)	13 401	12 111	22 378	5 627	250	53 767	18 289	12 316	26 253	9 441	1 774	68 073
Total (I+II+III)	55 509	19 079	39 401	25 166	3 920	143 075	56 659	19 388	47 088	41 681	5 101	169 917

(1) Excluding the outstanding amount of the pension institutions administered by the Deposit and Management Fund (CDG).

Source : Bank Al-Maghrib.

XV-5 - Outstanding amounts of negotiable debt securities

(in millions of dirhams)

Category of securities	2001					2002				
	Credit institutions and CDG	Insurance companies and pension institutions	UCITS	Other	Total	Credit institutions and CDG	Insurance companies and pension institutions	UCITS	Other	Total
Certificates of deposit	1 827	1 016	1 045	976	4 864	829	680	1 113	808	3 430
Bills of financing companies	2 270	1 370	2 057	262	5 959	2 732	1 514	2 359	408	7 013
Commercial paper	-	22	3	-	25	268	47	739	4	1 058
Total	4 097	2 408	3 105	1 238	10 848	3 829	2 241	4 211	1 220	11 501

Source : Bank Al-Maghrib.

XV-6 - Stock exchange indicators

(in millions of dirhams)

Period	Volume of transactions	Market capitalisation	Index (*)
1999 December	12 038.7	138 051	777.08
2000 December	6 832.5	114 881	658.43
2001 January	2 832.0	110 662	634.35
February	1925.3	123 677	708.58
March	1 563.0	120 425	687.84
April	2 462.4	116 320	665.01
May	2 528.0	114 706	659.14
June	1 417.1	110 715	640.4
July	1 016.0	103 530	613.92
August	648.3	107 908	639.42
September	2 838.8	103 829	616.42
October	1 791.7	100 114	583.42
November	1 242.2	104 538	608.55
December	5 009.7	104 740	609.74
2002 January	2 364.0	101 072	3 444.85
February	804.6	99 979	3 407.59
March	761.6	99 961	3 406.95
April	2 193.1	96 627	3 293.35
May	1 135.6	94 115	3 207.72
June	1 837.2	92 192	3 135.26
July	1 337.9	87 949	2 989.54
August	295.1	89 397	3 058.49
September	418.4	85 970	2 941.26
October	826.5	84 498	2 890.88
November	956.9	86 273	2 951.63
December	9 545.6	87 175	2 980.44

(*) The general index (I G B) was replaced with effect from 1 January 2002 by the Moroccan All Shares Index (MASI) with base year 1991, which covers all quoted shares.

Source : Bourse de Casablanca.

XVI-1 - Non-financial agents investments

(in millions of dirhams)

	Outstanding amounts at the end of the year			Changes (flows)	
	2000	2001	2002	2001	2002
A. Liquid assets.....	182 843	211 259	231 290	+28 416	+20 031
- Notes and coin	58 169	66 025	69 556	+ 7 856	+ 3 531
- Sight deposits	124 674	145 234	161 734	+ 20 560	+16 500
<i>. Banking system.....</i>	<i>110 750</i>	<i>130 626</i>	<i>145 024</i>	<i>+ 19 876</i>	<i>+ 14 398</i>
<i>. Treasury and Postal cheque centre.....</i>	<i>8 172</i>	<i>8 285</i>	<i>8 358</i>	<i>+ 113</i>	<i>+ 73</i>
<i>. Other sight deposits ⁽¹⁾</i>	<i>5 752</i>	<i>6 323</i>	<i>8 352</i>	<i>+ 571</i>	<i>+ 2 029</i>
B. Short-term assets	114 746	132 407	128 589	+ 17 661	- 3 818
- Savings accounts	35 240	39 582	43 097	+ 4 342	+ 3 515
<i>. Banking system.....</i>	<i>29 032</i>	<i>33 006</i>	<i>35 785</i>	<i>+ 3 974</i>	<i>+ 2 779</i>
<i>. National Savings Fund.....</i>	<i>6 208</i>	<i>6 576</i>	<i>7 312</i>	<i>+ 368</i>	<i>+ 736</i>
- Time deposits	74 574	82 814	81 796	+ 8 240	- 1 018
<i>. Fixed-term and bills with the banking system.....</i>	<i>74 440</i>	<i>82 585</i>	<i>81 728</i>	<i>+ 8 145</i>	<i>- 857</i>
<i>. Short-term negotiable instruments of indebtedness</i>	<i>134</i>	<i>229</i>	<i>68</i>	<i>+ 95</i>	<i>- 161</i>
- Short-term Treasury bills	4 932	10 011	3 696	+ 5 079	- 6 315
<i>. Six-month bills issued to the public.....</i>	<i>3 988</i>	<i>9 407</i>	<i>2 502</i>	<i>5 419</i>	<i>- 6 905</i>
<i>. One-year bills.....</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>. Bills acquired by tender (non-financial agents).....</i>	<i>944</i>	<i>604 *</i>	<i>1 194</i>	<i>- 340</i>	<i>+ 590</i>
C. Medium-term assets	7 612	4 991	6 540	- 2 621	+ 1 549
- Medium-term Treasury bills	6 732	3 984	5 389	- 2 748	+ 1 405
<i>. Three and five-year bills.....</i>	<i>4 474</i>	<i>3 115</i>	<i>2 479</i>	<i>- 1 359</i>	<i>- 636</i>
<i>. Bills acquired by tender</i>	<i>1 893</i>	<i>519 *</i>	<i>2 573</i>	<i>- 1 374</i>	<i>+ 2 054</i>
<i>. Other medium-term bonds</i>	<i>365</i>	<i>350</i>	<i>337</i>	<i>- 15</i>	<i>- 13</i>
- Medium-term negotiable instruments of indebtedness	880	1 007	1 151	+ 127	+ 144
D. Securities of UCITS	15 936	19 049	30 943	+ 3 113	+ 11 894
- Bond UCITS	12 722	17 111	29 696	+ 4 389	+ 12 585
- Share UCITS	1 276	895	563	- 381	- 332
- Diversified UCITS	1 938	1 043	684	- 895	- 359
E. Institutional savings	90 305	96 414	105 523	+ 6 109	+ 9 109
- Funds of pension and provident institutions	47 115	48 982	53 111	+ 1 867	+ 4 129
<i>Of which : . CNRA and RCAR ⁽²⁾</i>	<i>(19 161)</i>	<i>(21 250)</i>	<i>(23 566)**</i>	<i>(+2 089)</i>	<i>(+2 316)</i>
<i>. National Social Security Fund (CNSS).....</i>	<i>(14 762)</i>	<i>(14 017)</i>	<i>(14 674)</i>	<i>(-745)</i>	<i>(+657)</i>
- Actuarial reserves of insurance companies	43 190	47 432 *	52 412 **	+ 4 242	+ 4 980
Sub-total	411 442	464 120	502 885	+52 678	+38 765
F. Company shares ⁽³⁾				+12 783	+15 495
- New issues of securities.....	-	-	-	+12 783	+15 495
- Shares of privatised companies	-	-	-	-	-
Total	-	-	-	+65 461	+54 260
G. Adjustment ⁽⁴⁾	-	-	-	- 563	+ 434
Total of net investment flows	-	-	-	+64 898	+54 694

(1) Mainly non institutional sight deposits with the Deposit and Management Fund (CDG).

(2) National Retirement and Insurance Fund (CNRA) and Collective Fund for Retirement Allowances (RCAR).

(3) As data relating to shares held by non-financial agents are not available, only the new issues of corporate securities, either on the primary market or at the time of the operations of privatisation are taken into account.

(4) This item takes into account the changes in the composition of net assets of UCITS, by excluding the operations relating to shares carried out on the secondary market.

(*) Revised.

(**) Estimates.

Source : Bank Al-Maghrib.

**XVI-2 - Non-financial agents investments according to
funds-gathering circuits**

(in millions of dirhams)

Funds - gathering circuits	Outstanding amounts at the end of the year			Changes (flows)	
	2000	2001*	2002**	2001	2002
- Banking system	214 986	247 192	263 348	+ 32 206	+ 16 156
- Financing companies	250	261	408	+ 11	+ 147
- Treasury and Post office circuit	26 044	28 856	24 755	+ 2 812	- 4 101
- C.D.G. and managed funds ⁽¹⁾	24 913	27 573	31 918	+ 2 660	+ 4 345
- Insurance and contingency institutions	71 144	75 164	81 957	+ 4 020	+ 6 793
Of which : . Insurance companies.....	(43 190)	(47 432)	(52 412)	(+4 242)	(+4 980)
. National Social Security Fund (CNSS).....	(14 762)	(14 017)	(14 674)	(-745)	(+657)
- UCITS	15 936	19 049	30 943	+ 3 113	+ 11 894
All financial intermediaries	353 273	398 095	433 329	+ 44 822	+ 35 234
- Primary market of private securities ⁽²⁾				+ 12 783	+ 15 495
Adjustment ⁽³⁾				- 563	+ 434
Total funds raised.....				+ 57 042	+ 51 163
- Notes and coin.....	58 169	66 025	69 556	+ 7 856	+ 3 531
Total				+ 64 898	+ 54 694

(1) Deposit and Management Fund (CDG), National Retirement and Insurance Fund (CNRA), Collective Fund for Retirement Allowances (RCAR).

(2) As data relating to shares held by non-financial agents are not available, only the new issues of corporate securities, either on the primary market or at the time of the operations of privatisation are taken into account.

(3) This item makes it possible to take into account the changes in the composition of net assets of UCITS, by excluding the operations relating to shares carried out on the secondary market.

(*) Revised.

(**) Estimates.

Source : Bank Al-Maghrib.

XVI-3 - Domestic financing of the economy

(in millions of dirhams)

	Outstanding amounts at the end of the year			Changes (flows)	
	2000	2001*	2002**	2001	2002
I. Domestic financing of the economy					
A. Financing of the Treasury	-	-	-	+ 9 717	+ 14 879
- by financial intermediaries	-	-	-	+ 7 273	+ 19 716
. Bank Al-Maghrib advances	16 000	- 3 143	- 4 622	- 19 143	- 1 479
. Deposits with the Treasury and the Postal Cheque Centre	129	869	1 782	+ 740	+ 913
. Banks' portfolio of public securities.....	61 633	72 318	75 179	+ 10 685	+ 2 861
. UCITS' portfolio of public securities.....	20 627	25 822	37 495	+ 5 195	+ 11 673
. Institutional investors' portfolio of public securities.....	52 907	63 007	68 290	+ 10 100	+ 5 283
. Other financial intermediaries' portfolio of public securities	800	496	961	- 304	+ 465
. Purchases of privatised public enterprises' shares ⁽¹⁾	-	-	-	-	-
- by corporations and individuals	-	-	-	+ 2 444	- 4 837
. Deposits with the Treasury and the Postal Cheque Centre	8 172	8 285	8 358	+ 113	+ 73
. Six-month bills.....	3 988	9 407	2 502	+ 5 419	- 6 905
. Government loans.....	4 474	3 115	2 479	- 1 359	- 636
. Other Treasury bills ⁽²⁾	2 837	1 123	3 767	- 1 714	+ 2 644
. Purchases of privatised public enterprises' shares ⁽¹⁾	365	350	337	- 15	- 13
.	-	-	-	-	-
B. Financing of public entities	5 181	5 305	5 104	+ 124	- 201
- by Municipal Equipment Fund (FEC)	5 181	5 305	5 104	+ 124	- 201
C. Financing of corporations and individuals	-	-	-	+ 22 898	+ 24 672
- by financial intermediaries	223 066	233 156	242 354	+ 10 090	+ 9 198
. Credits.....	221 896	230 503	238 167	+ 8 607	+ 7 664
. Bonds portfolio.....	1 170	2 653	4 187	+ 1 483	+ 1 534
- On securities market	-	-	-	+ 12 808	+ 15 474
. Commercial paper.....	-	25	4	+ 25	- 21
. Corporate securities ⁽³⁾	-	-	-	+ 12 783	+ 15 495
Total of domestic financing of the economy.....	-	-	-	+ 32 739	+ 39 350
Of which : . Intermediated financing.....	-	-	-	+ 17 487	+ 28 713
. Direct financing.....	-	-	-	+ 15 252	+ 10 637
II. Net foreign assets	54 685	101 949	110 780	+ 47 264	+ 8 831
III. Other net assets ⁽⁴⁾				- 15 105	+ 6 513
Total assets (I+II+III)				+ 64 898	+ 54 694

(1) Data relating to transactions on the secondary market are not available, only initial purchases are taken into account.

(2) Capital equipment bonds, bills by tender and capital accounts.

(3) As data relating to shares held by non-financial agents are not available, only the new issues of corporate securities are taken into account.

(4) Total non-financial agents' investments (appendix XVI-1) minus total assets (I+II).

(*) Revised.

(**) Estimates.

Source : Bank Al-Maghrib.

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